trophy club

Prepared By:
Finance Department

ANNUAL COMPREHENSIVE
FINANCIAL REPORT
2022 - 2023

FORVIS®

Town of Trophy Club, Texas

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2023

Prepared by Town of Trophy Club Finance Department

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TOWN OF
TROPHY CLUB

Town of Trophy Club, Texas
September 30, 2023

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Introductory Section (Unaudited)

TOWN OF
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TOWN OF
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Town of Trophy Club
1 Trophy Wood Drive
Trophy Club, TX 76262
Phone (682) 237-2900
Fax (682) 237-2996

March 22, 2023

To the Honorable Mayor,
Members of the Town Council, and
Citizens of the Town of Trophy Club, Texas

The Finance Department of the Town possesses a comprehensive compilation of financial statements meticulously prepared in adherence to generally accepted accounting principles (GAAP). These statements underwent a thorough audit conducted by a licensed firm of certified public accountants, in accordance with generally accepted auditing standards. This document hereby presents the Annual Comprehensive Financial Report (ACFR) for the Town of Trophy Club, Texas, covering the fiscal year concluding on September 30, 2023.

This report comprises the Town's management assertions regarding its financial status. Hence, the management accepts full accountability for the accuracy and integrity of all information presented herein. In order to substantiate these assertions, the Town's management has implemented a robust internal control framework. This framework serves the dual purpose of safeguarding the Town's assets against loss, theft, or misuse and ensuring the compilation of adequate and dependable information for the preparation of the Town's financial statements in accordance with GAAP.

It is important to note that internal controls, while crucial, are designed to offer reasonable rather than absolute assurance. The Town's comprehensive internal control framework aims to strike a balance, ensuring that the financial statements are reasonably free from material misstatement. As management, we affirm that, to the best of our knowledge and belief, this financial report is both complete and reliable in all material aspects.

The Town's financial records, as mandated by the Town Charter, have been meticulously prepared and audited by FORVIS, LLP, Certified Public Accountants. This Annual Comprehensive Financial Report (ACFR) is based on the outcomes of that audit. The primary objective of the independent audit was to ensure reasonable assurance that the Town's financial statements accurately and fairly represent, in all material aspects, the fiscal year ending on September 30, 2023.

The independent audit encompassed a thorough examination, on a sample basis, of evidence supporting the amounts and disclosures in the financial statements. It also involved evaluating the accounting principles applied and significant estimates made by management, as well as assessing the overall presentation of the financial statements. Following this comprehensive audit, the independent auditor concluded that there exists a reasonable basis to provide unmodified opinions, affirming that the Town's financial statements for the fiscal year ended September 30, 2023, adhere to Generally Accepted Accounting Principles (GAAP). The independent auditor’s report serves as the initial component of the financial section within this report.

In adherence to Generally Accepted Accounting Principles (GAAP), management is obligated to furnish a narrative introduction, overview, and analysis that accompanies the fundamental financial statements, commonly known as Management’s Discussion and Analysis (MD&A). This letter of transmittal is specifically crafted to enhance the MD&A and is intended to be reviewed in conjunction with it. For your convenience, the Town’s MD&A is situated directly after the report from the independent auditor.

Profile of the Town

Established in 1985 as Texas' pioneering master planned community, the Town of Trophy Club, Texas is situated in the North Central region of the state. This locale has consistently demonstrated itself as a prominent growth hub in both Texas and the United States. Presently spanning just over 4 square miles, the Town caters to a burgeoning population of approximately 13,843 residents. Authorized to impose a property tax on real property within its borders, the Town boasts a median household income of $183,125 and a median housing value of $734,943.

Since 2004, Trophy Club has functioned as a Home Rule municipality, operating under the Council-Manager form of government. Following Charter Amendments ratified in the May 11, 2013 election, the Town Council, comprising the Mayor and six council members, holds policy-making and legislative authority. The Council's duties encompass passing ordinances, approving budgets, appointing boards and committees, and selecting key roles such as the Town Manager, Town Secretary, Municipal Judge, and Town Attorney. The Council operates on a non-partisan basis.

As per Charter Amendments adopted on May 9, 2009, Council members are elected at-large-by-place, serving for a term of three years or until their successors assume office. Each Council member is designated to a specific numbered Place (e.g., Place 1, Place 2, Place 3, etc.). The Charter also stipulates that neither the Mayor nor any Council member can serve for more than six consecutive years in elected full terms.

The Town Manager, in turn, is responsible for executing the policies and ordinances set by the Town Council, overseeing day-to-day governmental operations, and appointing department heads within the Town's various departments.

The Town of Trophy Club delivers a comprehensive array of municipal services, encompassing general government functions, public safety initiatives, street maintenance, park and recreation services, planning and zoning activities, code enforcement efforts, and drainage utilities. Water and wastewater services are managed through the Municipal Utility District #1.

Local Economy

Trophy Club is renowned for its rapid growth, a distinctive feature acknowledged by both the Dallas Business Journal and Fort Worth Builders Association. Positioned conveniently between DFW and Alliance Airports, Trophy Club's location proves advantageous for businesses, residents, and commuters heading to Dallas, Denton, Las Colinas, and Fort Worth. Despite its proximity to bustling metro areas, Trophy Club retains a charming small-town ambiance, providing a picturesque setting. The Town boasts an exceptional quality of life, offering excellent educational and recreational amenities. Additionally, it is home to two 18-hole premier golf courses, including the only course designed by Ben Hogan.

The North Texas region is home to a wide range of research and education institutions, along with a robust presence in logistics, oil and gas, manufacturing, and industrial sectors, supported by a strong base of professional services. This diverse economic landscape has played a significant role in maintaining a relatively stable unemployment rate. Approximately half of the local workforce is engaged in management, professional, and related occupations. According to the Bureau of Labor Statistics, as of September 2023, the unemployment rate in the Dallas/Fort Worth area stands at 3.2%, slightly below the national average of 3.7%.

Trophy Club has undertaken strategic efforts to position itself for a substantial future within the DFW and Alliance corridor. Over the past ten years, the Town has approved more than 578 building permits for high-end homes, showcasing its commitment to growth and development. In the fiscal year 2023, there were 3 new residential building permits, amounting to a total of $2,567,455, and 0 commercial building permits.

The fiscal year 2023 also witnessed 11 commercial projects valued at $3,408,200 and over 91 remodel/update residential projects totaling $3,572,556. Furthermore, the Town's tax base surpassed $1 billion in net taxable value in 2020. The thriving business landscape in Trophy Club and the Highway 114 region remains robust, with the Town directly benefiting from businesses choosing to establish themselves within its borders or professionals relocating to the area and contributing to the local workforce.

Long-Term Financial Planning

In FY23 the Town issued approximately $7 million in debt for long term needs of Streets, Parks, and Drainage.

Budgeting Process

The Town of Trophy Club uses a program-based budgeting process. Each budgeting unit provides for the expenditures associated with services and supplies appropriated for in the prior year budget. Personnel expenditures are compiled by the Finance department. Any funding request that represents new expenditures and programs must be submitted as a separate supplemental request. Capital items are funded based on a replacement schedule, need, and available resources.

Revenue Projection

The budget revenue projections for the new fiscal year begin early in the current fiscal year. The projections are made by the departments responsible for the revenues with help from the Finance staff. Projections are based upon consultations with state and local agencies, trend analysis, anticipated changes in the local and regional economy, and discussions with directly associated staff members. Although revenue projections are prepared early in the budget process, the budget revenue analysis continues with departmental budget development and extends until the budget is adopted based upon any new information.

Proposed Budget Analysis/Compilation

The Finance Department reviews and compiles a preliminary departmental budget to present to the Budget Team, which is comprised of the Town Manager and Director of Finance. During Budget Team discussions, each department director answers questions from the entire group concerning their budget.

Given revenue projections and baseline funding requirements, budget funding changes are made according to necessity and priority. A total recommended funding level is determined and is weighed against available resources.

Proposed Budget Development

The Town Manager shall prepare and submit to the Town Secretary, the annual budget covering the next fiscal year. The Town Manager’s proposed budget should assume, for each fund, operating revenues and resources that are equal to, or exceed operating expenditures. The Town Manager’s budget message summarizes funding requirements, major changes in programs, and alternatives for funding.

Town Council Budget Study

The Council receives comprehensive details about each fund, supplementary materials, capital replacement data, and the five-year capital improvement program from May until the budget's adoption. This procedure enables the Council to deliberate on various items and provide guidance before the proposed budget is formally submitted.

Capital Program

The Town Manager shall prepare and submit to the Council a five (5) year capital program no later than three months before the final date for submission of the budget. The capital program shall be revised and extended each year with regard to capital improvements still pending or in process of construction or acquisition (Charter Section 9.08).

Public Hearing/Budget Adoption

A public hearing on the proposed budget and the tax rate (if applicable) are held in August and September prior to final budget consideration. At the public hearings, citizens may make formal comments concerning the proposed budget. The public also has the opportunity to attend Town Council budget work sessions from May through budget adoption.

Budget adoption occurs in September after Town Council deliberations and the public hearing(s). The Town Council adopts a tax rate to support adopted funding levels. Pursuant to Town Charter, the budget in place for the preceding year shall remain in place on a month-to-month basis until such time as a new budget has been adopted if no Town Council action is taken before the end of the fiscal year, September 30.

Compilation of Adopted Budget/Budget Maintenance

The adopted budget is compiled and published during the first months of the new fiscal year. The adopted budget in the form of an amended proposed budget is available for public inspection in October. Ledger accounts are prepared for the new fiscal year prior to October 1.

Budget maintenance is a year-round activity of divisions/departments and Finance Department staff. Other spending control mechanisms include monthly review of expenditures by Finance Department staff. During the budget process, departments make revenue and expenditure estimates for the current year.

Finally, program goals, objectives, and measures are evaluated during budget implementation to determine the effectiveness of program activities and levels of appropriate funding for subsequent years.

Relevant Financial Policies

Staff created the Town's Investment Policy. The purpose of the investment policy was to comply with Chapter 2256 of the Government Code ("Public Funds Investment Act"), which requires the Town of Trophy Club to adopt a written investment policy regarding the investment of its funds and funds under its control. The Investment Policy addresses the methods, procedures, and practices that must be exercised to ensure effective and judicious fiscal management of Trophy Club's funds. The investment policy received the Government Treasurers' of Texas Certificate of Distinction for Investment Policy in June 2011.

The Town Council adopted a fund balance policy in September 2011 which established new fund balance categories (as recommended by Statement No. 54 by the Governmental Accounting Standards Board) and established a minimum unassigned fund balance goal (30% of annual operating expenditures).

In September 2016, the Town implemented revised purchasing and travel and training policies.

Major Initiatives

The Town Council has continued its strategic planning process to identify goals and objectives for long range planning. Each year, the Council meets in strategic planning retreats to review and refine those goals. Management Team members utilize the strategic planning documents to help guide their budget planning and service/program implementation.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Trophy Club for its ACFR for the fiscal year ended September 30, 2022. This was the thirteenth consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The creation of this report owes much to the unwavering commitment of the entire Finance Department staff. We extend our sincere gratitude to all team members who played a role in the preparation of this report. Additionally, we express our appreciation to the representatives of FORVIS LLP, Certified Public Accountants, for their valuable contributions.

A special note of recognition is reserved for the Mayor and the Town Council members, whose steadfast support has been instrumental in upholding the utmost standards of professionalism in the management of the Town of Trophy Club's finances. Their dedication has greatly contributed to the successful

Respectively submitted,

Brandon Wright
Town Manager

April Duvall
Director of Finance

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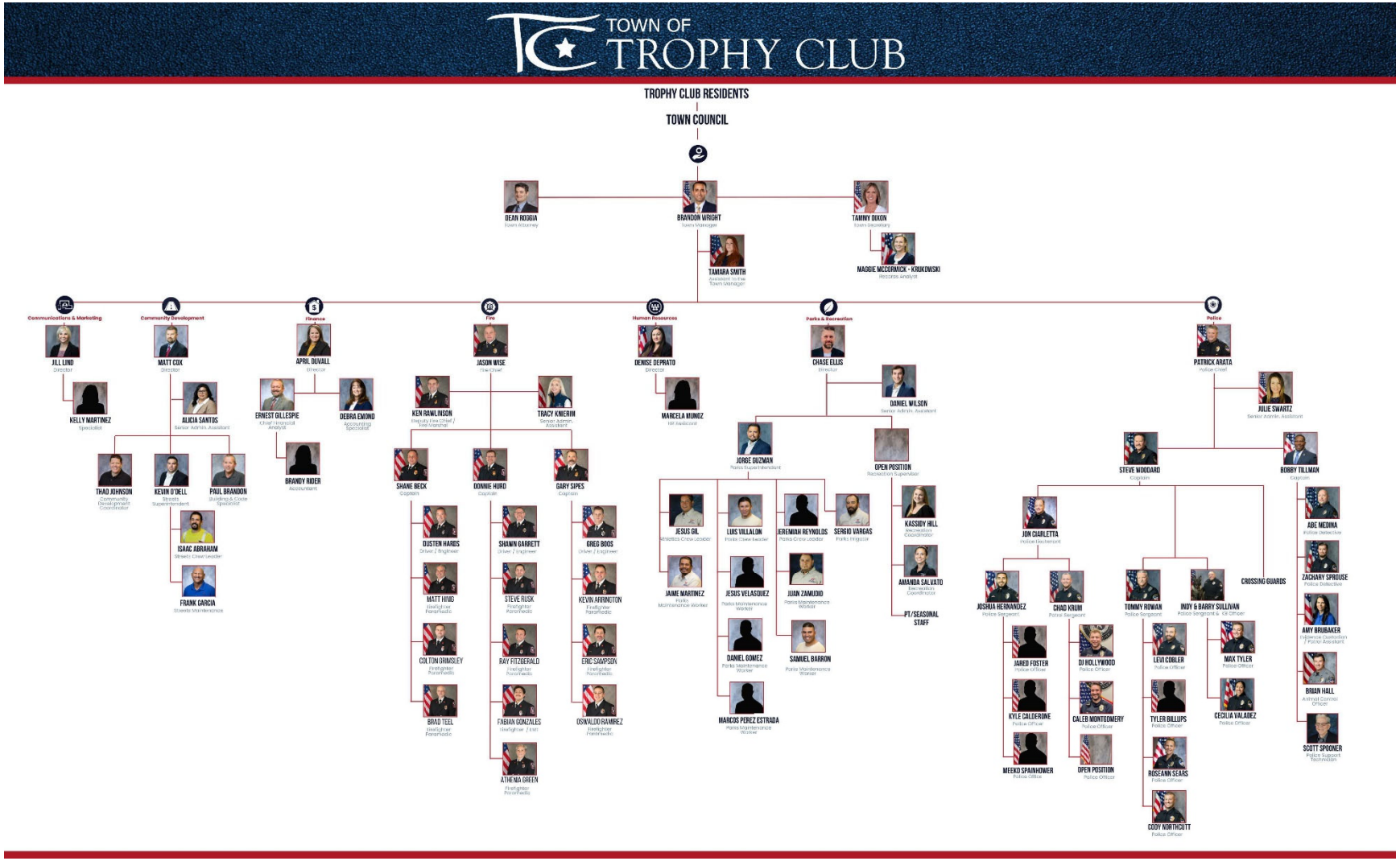
TOWN OF
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TROPHY CLUB RESIDENTS
TOWN COUNCIL
DEAN ROGDA
Town Attorney
BRANDON WRIGHT
Town Manager
TAMMY DIXON
Town Secretary
TAMARA SMITH
Assistant to the Town Manager
MADDIE MCCORMICK - KRUKOWSKI
Records Analyst
Communications & Marketing
JILL LIND
Director
KELLY MARTINEZ
Specialist
Community Development
MATT COX
Director
ALICIA SANTOS
Senior Admin. Assistant
THAD JOHNSON
Community Development Coordinator
KEVIN O'DELL
Streets Superintendent
PAUL BRANDON
Building & Code Specialist
ISAAC ABRAHAM
Streets Crew Leader
FRANK GARCIA
Streets Maintenance
Finance
APRIL DUVALL
Director
ERNEST GILLESPIE
Chief Financial Analyst
DEBRA EMOND
Accounting Specialist
BRANDY RIDER
Accountant
Fire
JASON WISE
Fire Chief
KEN RAWLINSON
Deputy Fire Chief / Fire Marshal
TRACY KNERIM
Senior Admin. Assistant
SHANE BECK
Captain
DONNIE HURD
Captain
GARY SIPES
Captain
DUSTEN HARDS
Driver / Engineer
MATT HINB
Firefighter Paramedic
COLTON GRIMSLEY
Firefighter Paramedic
BRAD TEEL
Firefighter Paramedic
SHAWN GARRETT
Driver / Engineer
STEVE RUSK
Firefighter Paramedic
RAY FITZGERALD
Firefighter Paramedic
FABIAN GONZALES
Firefighter / EMT
JTHENIA GREEN
Firefighter Paramedic
GREG BOOS
Driver / Engineer
KEVIN ARRINGTON
Firefighter Paramedic
ERIC SAWPSON
Firefighter Paramedic
OSWALDO RAMIREZ
Firefighter Paramedic
Human Resources
DENISE DEPRATO
Director
MARCELA MUNOZ
HR Assistant
Parks & Recreation
CHASE ELLIS
Director
DANIEL WILSON
Senior Admin. Assistant
JORGE GUZMAN
Parks Superintendent
OPEN POSITION
Recreation Supervisor
JESUS GIL
Athletics Crew Leader
JAIME MARTINEZ
Parks Maintenance Worker
LUIS VILLALON
Parks Crew Leader
JESUS VELASQUEZ
Parks Maintenance Worker
DANIEL GOMEZ
Parks Maintenance Worker
MARCOS PEREZ ESTRADA
Parks Maintenance Worker
JEREMIAH REYNOLDS
Parks Crew Leader
JUAN ZAMUDIO
Parks Maintenance Worker
SAMUEL BARRON
Parks Maintenance Worker
SERGIO VARGAS
Parks Irrigator
KASSIDY HILL
Rec Facility Coordinator
AMANDA SALVATO
Rec Facility Coordinator
PT/SEASONAL STAFF
Police
PATRICK ARATA
Police Chief
JULIE SWARTZ
Senior Admin. Assistant
STEVE WOODARD
Captain
BOBBY TILLMAN
Captain
JON CIARLETTA
Police Lieutenant
JOSHUA HERNANDEZ
Police Sergeant
CHAD KRUM
Police Sergeant
TOMMY ROWAN
Police Sergeant
INDY & BARRY SULLIVAN
Police Sergeant & K9 Officer
CROSSING GUARDS
JARED FOSTER
Police Officer
KYLE CALDERONE
Police Officer
MEEKO SPAINHOWER
Police Officer
DJ HOLLYWOOD
Police Officer
CALEB MONTGOMERY
Police Officer
OPEN POSITION
Police Officer
LEVI COBLER
Police Officer
TYLER BILLUPS
Police Officer
ROSEANN SEARS
Police Officer
CODY NORTHCUTT
Police Officer
MAX TYLER
Police Officer
CECILIA VALADEZ
Police Officer
ABE MEDINA
Police Detective
ZACHARY SPROUSE
Police Detective
AMY BRUBAKER
Patrol Assistant
BRIAN HALL
Animal Control Officer
SCOTT SPOONER
Police Support Technician

TOWN OF
TROPHY CLUB

TOWN COUNCIL

JEANNETTE TIFFANY
Mayor

STACEY BAUER
Place 1

JEFF BEACH
Place 2

DENNIS SHERIDAN
Mayor Pro Tem and Place 3

KARL MONGER
Place 4

LUANNE OLDHAM
Place 5

STEVE FLYNN
Place 6

TOWN MANAGER'S OFFICE

BRANDON WRIGHT
Town Manager

DEAN ROGGIA
Town Attorney

TAMMY DIXON
Town Secretary

TAMARA SMITH
Assistant to the Town Manager

MAGGIE MCCORMICK - KRUKOWSKI
Records Analyst

WWW.TROPHYCLUB.ORG

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Trophy Club
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

Executive Director/CEO

TOWN OF
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Financial Section

TOWN OF
TROPHY CLUB

FORVIS

14241 Dallas Parkway, Suite 1100 / Dallas, TX 75254
P 972.702.8262 / **F** 972.702.0673
forvis.com

Independent Auditor's Report

The Honorable Mayor and Members of the Town Council
Town of Trophy Club, Texas
Trophy Club, Texas

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Trophy Club, Texas (Town), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparisons, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS, LLP

Dallas, Texas
March 22, 2024

TOWN OF
TROPHY CLUB

Town of Trophy Club, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2023

As management of the Town of Trophy Club, Texas (Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $66,525,978 (net position). The unrestricted net position, which represents the amounts available to meet the Town's ongoing obligations to citizens and creditors, was $10,357,861.

- The Town's total net position increased $1,456,356 primarily because of increases in property tax valuations and increased investment earnings.

- At the close of the current fiscal year, the Town's governmental funds reported combined fund balances of $29,027,002, an increase of $8,498,067 in comparison with the prior year. Of this amount, $9,788,862, or 34%, is available for spending at the government's discretion (unassigned fund balance). The increase in combined fund balance is primarily due to increased property tax valuations and increased investment earnings.

- At the end of the current fiscal year, unrestricted fund balance for the general fund was $9,981,221, or approximately 72% of total general fund expenditures.

- At the close of the current fiscal year, the Town's enterprise funds reported combined net position balances of $3,660,234, an increase of $654,643 in comparison with the prior year. The increase is due primarily to operations and to transfers in from the governmental funds for debt service payments.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. Two statements, the Statement of Net Position and the Statement of Activities, are utilized to provide this financial overview.

The statement of net position presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between the four is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Other non-financial factors, such as the Town's property tax base and the condition of the Town's infrastructure, need to be considered in order to assess the overall health of the Town.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, police, emergency medical services, community development, parks and recreation, streets, court, council, and administration. Normally, these operations are financed by property taxes, sales taxes, and franchise fees. The business-type activities of the Town include Trophy Club Park and Storm Drainage Utility operations.

The government-wide financial statements include not only the Town itself (known as the primary government), but also the legally separate component unit, 4B Economic Development Corporation, which the Town is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the capital projects fund, and the PID No. 1, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds

The Town's proprietary funds are all enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its Trophy Club Park and Storm Drainage operations. All activities associated with providing such services are accounted for in these funds, including salaries and benefits, supplies and materials, repairs and maintenance, utilities, and other operating expenses. The Town's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Trophy Club Park, and Storm Drainage Utility. The Storm Drainage Utility is considered to be a major fund of the Town.

Component Unit

The Town maintains the accounting and financial statements for one discretely presented component unit, the 4B Economic Development Corporation, which is displayed separately on the government-wide financial statements.

Notes to Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The required RSI includes a budgetary comparison schedule for the general fund and Public Improvement District No. 1 fund. In addition, it includes information concerning the Town's progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions and OPEB.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $66,525,978, at the close of the most recent fiscal year.

Statement of Net Position:

The following table reflects the condensed Statement of Net Position.

	Governmental Activities		Business-type Activities		Totals	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
Current and other assets	$ 51,194,650	$ 44,998,729	$ 2,030,858	$ 1,538,311	$ 53,225,508	$ 46,537,040
Capital and lease assets, net	63,709,700	65,095,038	1,853,641	1,847,243	65,563,341	66,942,281
Total assets	114,904,350	110,093,767	3,884,499	3,385,554	118,788,849	113,479,321
Deferred outflows of resources	4,249,963	2,831,600	-	-	4,249,963	2,831,600
Other liabilities	4,755,975	4,528,487	48,797	30,477	4,804,772	4,558,964
Long-term liabilities	51,094,293	44,398,609	175,468	349,486	51,269,761	44,748,095
Total liabilities	55,850,268	48,927,096	224,265	379,963	56,074,533	49,307,059
Deferred inflows of resources	438,301	1,934,240	-	-	438,301	1,934,240
Net investment in capital assets	28,947,808	28,391,158	1,678,173	1,497,757	30,625,981	29,888,915
Restricted	25,542,136	27,278,448	-	-	25,542,136	27,278,448
Unrestricted	8,375,800	6,394,425	1,982,061	1,507,834	10,357,861	7,902,259
Total net position	$ 62,865,744	$ 62,064,031	$ 3,660,234	$ 3,005,591	$ 66,525,978	$ 65,069,622

Current and other assets increased by $6.7 million from the prior year due primarily to increased cash received as a result of the issuance of new certificates of obligation bonds.

Long-term liabilities, which consist of bonds, compensated absences, net pension liability, and other postemployment benefit obligations, increased by $6.5 million from the previous year for governmental and business-type activities combined. The Town issued $6.9 million in certificates of obligation bonds to finance various capital projects throughout the Town. The increase is primarily due to the issuance of bonds.

A portion of the Town's net position, $30,625,981, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, lease assets, and infrastructure), net of accumulated depreciation and amortization and less any related outstanding debt that was used to acquire those assets. The Town uses these capital and lease assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital and lease assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, $25,542,136 represents resources that are subject to external restrictions on how they may be used. As of the end of the current year, the Town's unrestricted net position was a balance of $10,357,861. The Town's overall net position increased $1,456,356, from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Statement of Activities:

The following table provides a summary of the Town's changes in net position.

	Governmental Activities		Business-type Activities		Totals	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
Revenues:						
Program revenues:						
Charges for services	$ 3,821,273	$ 3,795,652	$ 705,922	$ 724,895	$ 4,527,195	$ 4,520,547
Operating grants and contributions	92,029	173,599	31,750	125,268	123,779	298,867
Total program revenues	3,913,302	3,969,251	737,672	850,163	4,650,974	4,819,414
General revenues:						
Property taxes	11,180,838	10,255,223	-	-	11,180,838	10,255,223
Sales and mixed beverage taxes	2,358,255	2,290,748	-	-	2,358,255	2,290,748
Franchise and local taxes	1,016,222	908,033	-	-	1,016,222	908,033
Occupancy tax	822,484	781,831	-	-	822,484	781,831
Other revenues	313,150	197,903	-	-	313,150	197,903
Investment Income	1,289,627	244,451	64,244	8,264	1,353,871	252,715
Total general revenues	16,980,576	14,678,189	64,244	8,264	17,044,820	14,686,453
Total revenues	20,893,878	18,647,440	801,916	858,427	21,695,794	19,505,867
Expenses:						
General government	899,894	663,394	-	-	899,894	663,394
Manager's office	782,210	567,704	-	-	782,210	567,704
Human resources	278,174	205,246	-	-	278,174	205,246
Finance	518,064	549,792	-	-	518,064	549,792
Information services	673,596	543,189	-	-	673,596	543,189
Legal	159,807	189,141	-	-	159,807	189,141
Municipal court	92,313	258,489	-	-	92,313	258,489
Police	3,820,517	3,128,814	-	-	3,820,517	3,128,814
Fire	1,657,640	1,389,959	-	-	1,657,640	1,389,959
Emergency medical services	1,598,261	1,489,248	-	-	1,598,261	1,489,248
Facilities management	1,425,387	1,455,292	-	-	1,425,387	1,455,292
Parks and recreation	3,093,727	2,864,327	-	-	3,093,727	2,864,327
Community development	552,382	471,539	-	-	552,382	471,539
Tourism	653,518	396,974	-	-	653,518	396,974
Public works	2,358,623	2,315,082	-	-	2,358,623	2,315,082
Interest and fiscal charges on long-term debt	1,371,710	1,278,873	-	-	1,371,710	1,278,873
Storm Drainage Utility	-	-	176,590	144,131	176,590	144,131
Trophy Club Park	-	-	127,025	169,456	127,025	169,456
Total expenses	19,935,823	17,767,063	303,615	313,587	20,239,438	18,080,650
Increase in net position before transfers	958,055	880,377	498,301	544,840	1,456,356	1,425,217
Transfers	(156,342)	(142,194)	156,342	142,194	-	-
Change in net position	801,713	738,183	654,643	687,034	1,456,356	1,425,217
Net Position, Beginning	62,064,031	61,325,848	3,005,591	2,318,557	65,069,622	63,644,405
Net Position, Ending	$ 62,865,744	$ 62,064,031	$ 3,660,234	$ 3,005,591	$ 66,525,978	$ 65,069,622

Governmental Activities

For the year ended September 30, 2023, revenues from governmental activities totaled $20.9 million. Property tax, grants and contributions, special assessments and sales tax are the Town's largest general revenue sources. Overall revenue increased $2.3 million or 12% from the prior year. Property taxes remain the largest source of revenue at $11.2 million in the current fiscal year. The rate charged to property tax owners has remained consistent, however, the assessed valuation has risen from approximately $2.8 billion in 2022 to $3.1 billion in the current year. Investment income increased by $1.0 million or 428% due to the impact of the market and realization of higher interest rates. All other revenues remained relatively stable when compared to the previous year.

For the year ended September 30, 2023, expenses for governmental activities totaled $19.9 million. This represents an increase of $2.2 million or 12% from the prior year. The Town's largest expense category is public safety (police, fire, and emergency medical services), which totaled $7.1 million at year-end and increased $1.1 million from prior year due primarily to workers compensation adjustments, salary increases, and overtime. General Government increased by $237 thousand primarily due to salary increases that resulted from a market study. Manager's Office increased by $214 thousand primarily due to executive team recruitments (Town Manager and Town Secretary). All other expenses remained relatively consistent when compared to the previous year.

Business-type Activities

Business-type activities are shown comparing operating costs to revenues generated by related services. For the year ended September 30, 2023, charges for services by business-type activities totaled $706 thousand and remained relatively consistent when compared to the previous year. Intergovernmental revenues decreased by $94 thousand or 75% due to nonrecurring funds received from the Texas Department of Parks and Wildlife for various parks improvement projects in 2022. Total business-type activity expenses remained relatively consistent when compared to the previous year. The Storm Drainage Utility increased expenses by $32 thousand for various small equipment purchases and the Trophy Club Park decreased their expenses by $42 thousand primarily due to staff vacancies.

Financial Analysis of the Town's Funds

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds – The focus of the Town's governmental funds is to provide information of near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Town's Council.

At September 30, 2023, the Town's governmental funds reported combined fund balances of $29 million, an increase of $8.5 million, in comparison with the prior year. Approximately 34% of this amount, $9.8 million, constitutes unassigned fund balance, which is available for spending at the Town's discretion. The remainder of the fund balance is either nonspendable, restricted, or committed to indicate that it is: 1) not in spendable form $435 thousand; 2) restricted for particular purposes $18.8 million; or 3) committed for a particular purpose $21 thousand.

Analysis of Individual Funds

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was approximately $10.0 million, while total fund balance increased to $10.4 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 72% of total general fund expenditures, while total fund balance represents 75% of that same amount.

The fund balance of the Town's general fund increased by $2.1 million during the current fiscal year. This increase is due to higher property valuations, the impact of the market and realization of higher interest rates and sales tax revenue coming in higher than anticipated.

The debt service fund had an ending fund balance of $206 thousand at September 30, 2023, an increase of $98 thousand when compared to the previous year. This increase is due to higher property valuations, the impact of the market and realization of higher interest rates. During the year, the fund recorded total principal and interest payments of $2.4 million and property tax revenue of $2.6 million. The fund also recorded $178 thousand in transfers to other funds related to debt service payments.

The capital projects fund had an ending fund balance of $10.6 million. The capital projects fund increased by $5.7 million when compared to the previous year. The increase was due to the issuance of new debt during the current fiscal year.

The PID No. 1 fund reflected an ending fund balance of $4.1 million. The fund balance increased $112 thousand, which is a result of property assessments and other revenues exceeding debt service expenditures.

Proprietary Funds – The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position in the Town's largest proprietary fund, the Storm Drainage Utility fund, totaled $3.1 million, an increase of $440 thousand from prior year. Unrestricted net position at the close of the fiscal year for the Town's utility fund amounted to $1.6 million. Total investment in capital assets, net of related debt was $1.4 million.

General Fund Budgetary Highlights

Total budgeted revenues of $13,292,134 were less than actual revenues of $15,777,485 resulting in a positive revenue variance of $2,485,351. The positive variance was primarily the result of greater than estimated revenues from sales tax, intergovernmental revenues, and charges for services. Sales tax was over budget as the economy continues to recover from the pandemic. Intergovernmental revenue increased $468,883, primarily due increases in both the fire assessments related to the Public Improvement District and transfers from the Municipal Utility District. Charges for services were more than estimated due to the inclusion of sanitation charges received during the year, previously netted with expenses. Total budgeted expenditures of $13,063,123 were less than actual expenditures of $13,832,385, resulting in a negative expenditure variance of $769,262. The variance in total expenditures primarily related to facilities management and capital outlay expenditures for unbudgeted expenditures related to emergency repairs/replacement.

Capital and Lease Assets

As of the end of the year, the Town's governmental activities funds had invested $63,709,700 in a variety of capital and lease assets and infrastructure, net of accumulated depreciation and amortization. The Town's business-type activities funds had invested $1,853,641 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, machinery and equipment, storm drainage system, and infrastructure.

	Governmental Activities		Business-type Activities		Totals	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
Land	$ 10,487,119	$ 10,487,119	$ -	$ -	$ 10,487,119	$ 10,487,119
Construction in progress	2,197,624	999,245	-	-	2,197,624	999,245
Buildings	8,080,711	8,467,500	-	-	8,080,711	8,467,500
Improvements other than buildings	30,882,200	32,511,327	172,480	171,886	31,054,680	32,683,213
Machinery and equipment	712,808	794,501	73,289	16,402	786,097	810,903
Vehicles	1,108,397	1,039,778	-	-	1,108,397	1,039,778
Water system	3,161,697	3,337,572	-	-	3,161,697	3,337,572
Infrastructure	6,982,134	7,346,425	1,607,872	1,658,955	8,590,006	9,005,380
Lease Assets	97,010	111,571	-	-	97,010	111,571
Totals	$ 63,709,700	$ 65,095,038	$ 1,853,641	$ 1,847,243	$ 65,563,341	$ 66,942,281

Major capital asset events during the current year include the following:

- Purchase of new vehicles for police.
- Purchase of new equipment for parks and recreation and streets department.
- Construction related to Indian Creek and Junction Way projects

More detailed information about the Town's capital assets is presented in the Note 5 to the financial statements.

Long-Term Debt

The Town's outstanding general obligation bonds, certificate of obligation bonds, and special assessment bonds, net of all premiums and discounts increased by $3.5 million for governmental activities and decreased by $174 thousand for business-type activities, from the prior year.

	Governmental Activities		Business-type Activities		Totals	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
General obligation bonds	$ 5,890,000	$ 6,595,000	$ -	$ -	$ 5,890,000	$ 6,595,000
Certificates of obligation	18,040,000	12,298,000	175,000	345,000	18,215,000	12,643,000
Special assessment bonds	19,776,000	21,245,000	-	-	19,776,000	21,245,000
Premiums on bonds	3,423,086	3,482,143	468	4,486	3,423,554	3,486,629
Leases payable	85,745	99,617	-	-	85,745	99,617
Totals	$ 47,214,831	$ 43,719,760	$ 175,468	$ 349,486	$ 47,390,299	$ 44,069,246

More detailed information about the Town's long-term liabilities is presented in Note 6 to the financial statements.

Economic Factors and Next Year's Budget and Rates

The Town is approximately 90% residential and 10% commercial, with both residential and commercial development substantially built out. The Town issued 3 residential construction permits in fiscal year 2023 and 0 new commercial permits. The Town estimates only 65-75 additional residential permits will be pulled in the future and 4-6 large commercial permits. The Town's 2024 budget will raise more total property taxes than last year's budget by $904,831 or 8.7%, and of that amount, $44,835 is the tax revenue raised from new property added to the roll this year.

Budgeted Capital Expenditures include funds for new Pickleball Courts, a Town Comprehensive Plan as well as improvements to Trophy Club Park's entrance and payment kiosk system.

In fiscal year 2024, General Fund revenues are budgeted to increase 8.82% over fiscal year 2023 estimated revenues, while expenditures are budgeted to increase by 11.79% over fiscal year 2023 estimated expenditures.

The fiscal year 2024 budget decreased the ad valorem tax rate to 0.415469 per hundred dollars of assessed value.

Contacting the Town's Financial Management

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Trophy Club Director of Finance, 1 Trophy Wood Drive, Trophy Club, Texas, 76262. This information can also be accessed on the Town of Trophy Club's website at www.trophyclub.org.

TOWN OF
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Basic Financial Statements

TOWN OF
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Town of Trophy Club, Texas
Statement of Net Position
September 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	4B Economic Development Corporation
Assets				
Cash and cash equivalents	$ 32,664,803	$ 1,994,279	$ 34,659,082	$ 1,504,186
Taxes receivable, net	562,614	-	562,614	127,771
Special assessments receivable	17,356,338	-	17,356,338	-
Receivables, net	301,395	36,103	337,498	-
Due from other governments	7,505	-	7,505	-
Due from primary government	-	-	-	22,334
Notes receivable	-	-	-	150,000
Prepaid and other assets	2,387	476	2,863	-
Lease receivable	299,608	-	299,608	-
Capital assets not being depreciated	12,684,743	-	12,684,743	2,538,765
Capital and lease assets, net of accumulated depreciation/amortization	51,024,957	1,853,641	52,878,598	261,335
Total assets	114,904,350	3,884,499	118,788,849	4,604,391
Deferred Outflows of Resources				
Pension related	2,358,140	-	2,358,140	-
OPEB related	45,489	-	45,489	-
Deferred charge on refunding	1,846,334	-	1,846,334	-
Total deferred outflows of resources	4,249,963	-	4,249,963	-
Liabilities				
Accounts payable	1,115,697	48,360	1,164,057	-
Accrued liabilities	231,387	-	231,387	-
Unearned revenue	3,088,232	-	3,088,232	-
Due to component unit	22,334	-	22,334	-
Accrued interest payable - bonds	298,325	437	298,762	6,455
Noncurrent liabilities				
Due within one year:				
Bonds payable	3,514,000	175,468	3,689,468	120,000
Leases payable	36,451	-	36,451	-
Compensated absences	294,448	-	294,448	-
Due in more than one year:				
Bonds payable	43,615,086	-	43,615,086	1,704,123
Leases payable	49,294	-	49,294	-
Compensated absences	32,717	-	32,717	-
Total OPEB liability	287,685	-	287,685	-
Net pension liability	3,264,612	-	3,264,612	-
Total liabilities	55,850,268	224,265	56,074,533	1,830,578
Deferred Inflows of Resources				
OPEB related	157,989	-	157,989	-
Lease related	280,312	-	280,312	-
Total deferred inflows of resources	438,301	-	438,301	-
Net Position				
Net investment in capital assets	28,947,808	1,678,173	30,625,981	975,977
Restricted for:				
Municipal court	61,194	-	61,194	-
Debt service	4,299,885	-	4,299,885	89,568
Economic development	-	-	-	1,708,268
Public safety	267,457	-	267,457	-
PID activities	17,356,338	-	17,356,338	-
Street maintenance	426,989	-	426,989	-
Tourism	2,722,338	-	2,722,338	-
Parks	407,935	-	407,935	-
Unrestricted	8,375,800	1,982,061	10,357,861	-
Total net position	$ 62,865,744	$ 3,660,234	$ 66,525,978	$ 2,773,813

Town of Trophy Club, Texas
Statement of Activities
For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	$ 899,894	$ 269,132	$ -	$ -
Manager's office	782,210	-	-	-
Human resources	278,174	-	-	-
Finance	518,064	-	-	-
Information services	673,596	-	-	-
Legal	159,807	-	-	-
Municipal court	92,313	219,645	-	-
Police	3,820,517	142,470	21,525	-
Fire	1,657,640	1,492,123	70,504	-
Emergency medical services	1,598,261	193,982	-	-
Facilities management	1,425,387	-	-	-
Parks and recreation	3,093,727	397,773	-	-
Community development	552,382	5,805	-	-
Tourism	653,518	-	-	-
Sanitation	-	1,091,668	-	-
Public works	2,358,623	8,675	-	-
Interest and fiscal charges on long-term debt	1,371,710	-	-	-
Total governmental activities	19,935,823	3,821,273	92,029	-
Business-type Activities				
Storm Drainage Utility	176,590	437,219	31,750	-
Trophy Club Park	127,025	268,703	-	-
Total business-type activities	303,615	705,922	31,750	-
Total primary government	$ 20,239,438	$ 4,527,195	$ 123,779	$ -
Component Unit				
4B Economic Development Corporation	$ 130,748	$ -	$ -	$ -
Total component unit	$ 130,748	$ -	$ -	$ -

General Revenues and Transfers
- General revenues:
  - Taxes
    - Property taxes
    - Sales and mixed beverage taxes
    - Franchise and local taxes
    - Occupancy tax
  - Other revenues
  - Investment Income
- Transfers

Total general revenues and transfers

Change in net position

Net Position, Beginning

Net Position, Ending

Town of Trophy Club, Texas
Statement of Activities (Continued)
For the Year Ended September 30, 2023

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	4B Economic Development Corporation
$ (630,762)	$ -	$ (630,762)	$ -
(782,210)	-	(782,210)	-
(278,174)	-	(278,174)	-
(518,064)	-	(518,064)	-
(673,596)	-	(673,596)	-
(159,807)	-	(159,807)	-
127,332	-	127,332	-
(3,656,522)	-	(3,656,522)	-
(95,013)	-	(95,013)	-
(1,404,279)	-	(1,404,279)	-
(1,425,387)	-	(1,425,387)	-
(2,695,954)	-	(2,695,954)	-
(546,577)	-	(546,577)	-
(653,518)	-	(653,518)	-
1,091,668	-	1,091,668	-
(2,349,948)	-	(2,349,948)	-
(1,371,710)	-	(1,371,710)	-
(16,022,521)	-	(16,022,521)	-
-	292,379	292,379	-
-	141,678	141,678	-
-	434,057	434,057	-
(16,022,521)	434,057	(15,588,464)	-
			(130,748)
			(130,748)
11,180,838	-	11,180,838	-
2,358,255	-	2,358,255	767,911
1,016,222	-	1,016,222	-
822,484	-	822,484	-
313,150	-	313,150	-
1,289,627	64,244	1,353,871	43,606
(156,342)	156,342	-	-
16,824,234	220,586	17,044,820	811,517
801,713	654,643	1,456,356	680,769
62,064,031	3,005,591	65,069,622	2,093,044
$ 62,865,744	$ 3,660,234	$ 66,525,978	$ 2,773,813

Town of Trophy Club, Texas
Balance Sheet – Governmental Funds
September 30, 2023

	General	Debt Service	Capital Projects	PID No. 1	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 13,559,995	$ 205,668	$ 10,768,487	$ 4,129,303	$ 4,001,350	$ 32,664,803
Taxes receivable, net	328,405	11,137	-		223,072	562,614
Special assessment receivable	-	-	-	17,356,338	-	17,356,338
Accounts receivable, net	301,395	-	-	-	-	301,395
Leases receivable	299,608	-	-	-	-	299,608
Due from other governments	7,505	-	-	-	-	7,505
Prepaid and other assets	2,387	-	-	-	-	2,387
Advances from other funds	432,726	-	-	-	-	432,726
Total assets	$ 14,932,021	$ 216,805	$ 10,768,487	$ 21,485,641	$ 4,224,422	$ 51,627,376
Liabilities						
Accounts payable	$ 845,516	$ -	$ 161,882	$ -	$ 108,299	$ 1,115,697
Accrued liabilites	231,387	-	-	-	-	231,387
Unearned revenue	3,088,232	-	-	-	-	3,088,232
Due to component unit	7,443	-	-	-	14,891	22,334
Advances to other funds	-	-	-	46,223	386,503	432,726
Total liabilities	4,172,578	-	161,882	46,223	509,693	4,890,376
Deferred Inflows of Resources						
Unavailable revenue - property taxes	35,323	10,551	-	-	-	45,874
Unavailable revenue - emergency medical services	2,157	-	-	-	-	2,157
Unavailable revenue - special assessments	-	-	-	17,356,338	-	17,356,338
Unavailable revenue - property liens	25,317	-	-	-	-	25,317
Leases related	280,312	-	-	-	-	280,312
Total deferred inflows of resources	343,109	10,551	-	17,356,338	-	17,709,998
Fund Balances/(Deficits)						
Nonspendable:						
Prepaid items	2,387	-	-	-	-	2,387
Long-term interfund advances	432,726	-	-	-	-	432,726
Restricted						
Debt service	-	206,254	-	4,083,080	-	4,289,334
Capital projects	-	-	10,606,605	-	-	10,606,605
Municipal court	-	-	-	-	61,194	61,194
Public safety	-	-	-	-	267,457	267,457
Street maintenance	-	-	-	-	426,989	426,989
Tourism	-	-	-	-	2,722,338	2,722,338
Parks	-	-	-	-	407,935	407,935
Committed for:						
Recreation programs	-	-	-	-	21,175	21,175
Unassigned	9,981,221	-	-	-	(192,359)	9,788,862
Total fund balances/(deficits)	10,416,334	206,254	10,606,605	4,083,080	3,714,729	29,027,002
Total liabilities, deferred inflows of resources, and fund balances (deficits)	$ 14,932,021	$ 216,805	$ 10,768,487	$ 21,485,641	$ 4,224,422	$ 51,627,376

Town of Trophy Club, Texas

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

September 30, 2023

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balance per balance sheet		$ 29,027,002
Capital and lease assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds.		63,709,700
Other long-term assets less related uncollectibles are not available to pay for current period expenditures and therefore are reported as unavailable revenues in the governmental funds.		17,429,686
Accrued interest payable on long-term debt does not require current financial resources and therefore is not reported as a liability in the balance sheet of governmental funds.		(298,325)
Long-term liabilities, including bonds payable, leases payable, net pension liability, and total OPEB liability (and the related deferred inflows and deferred outflows) are not due and payable in the current period and therefore are not reported as liabilities, deferred outflows or deferred inflows in the governmental funds. Long-term liabilities consist of:		
General obligation bonds payable	$ (5,890,000)	
Certificate of obligation bonds payable	(18,040,000)	
Special Assessment Bonds	(19,776,000)	
Deferred charge on refunding	1,846,334	
Unamortized premiums on bonds	(3,423,086)	
Leases payable	(85,745)	
Net pension liability	(3,264,612)	
Total other postemployment benefit (OPEB) liability	(287,685)	
Deferred outflows of resources – pension	2,358,140	
Deferred outflows of resources – OPEB	45,489	
Deferred inflows of resources – OPEB	(157,989)	
Accrued compensated absences	(327,165)	
		(47,002,319)
Net position of governmental activities		$ 62,865,744

Town of Trophy Club, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

For the Year Ended September 30, 2023

	General	Debt Service	Capital Projects	PID No.1	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property tax	$ 8,630,785	$ 2,570,418	$ -	$ -	$ 6,648	$ 11,207,851
Sales and mixed beverage taxes	1,613,746	-	-	-	744,509	2,358,255
Franchise and local taxes	1,016,222	-	-	-	-	1,016,222
Occupancy tax	-	-	-	-	822,484	822,484
Special assessments	-	-	-	2,267,110	-	2,267,110
License and permits	253,027	-	-	-	-	253,027
Intergovernmental	1,545,538	-	-	-	21,525	1,567,063
Charges for services	1,519,212	-	-	-	4,825	1,524,037
Fines and fees	412,199	-	-	-	20,306	432,505
Lease revenue	107,834	-	-	-	-	107,834
Interest revenue - leases	20,188	-	-	-	-	20,188
Investment income	639,154	77,230	274,355	177,679	121,209	1,289,627
Other revenue	19,580	-	84,423	-	112,729	216,732
Total revenues	15,777,485	2,647,648	358,778	2,444,789	1,854,235	23,082,935
Expenditures						
Current:						
General government	216,004	-	39,013	48,701	79,500	383,218
Manager's office	758,661	-	-	-	-	758,661
Human resources	268,107	-	-	-	-	268,107
Finance	504,727	-	-	-	-	504,727
Information services	641,317	-	-	-	-	641,317
Legal	159,807	-	-	-	-	159,807
Municipal court	90,063	-	-	-	2,250	92,313
Police	3,371,490	-	-	-	150,617	3,522,107
Fire	1,571,944	-	-	-	-	1,571,944
Emergency medical services	1,453,750	-	-	-	-	1,453,750
Facilities management	1,425,314	-	-	-	-	1,425,314
Parks and recreation	2,302,847	-	-	-	5,200	2,308,047
Community development	483,392	-	-	-	41,282	524,674
Tourism	256,975	-	-	-	387,712	644,687
Public works	-	-	-	-	231,437	231,437
Debt Service:						
Principal	10,165	1,888,000	-	1,469,000	30,090	3,397,255
Interest and fiscal charges	-	483,776	180,408	814,923	-	1,479,107
Capital outlay	317,822	-	1,667,818	-	339,613	2,325,253
Total expenditures	13,832,385	2,371,776	1,887,239	2,332,624	1,267,701	21,691,725
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,945,100	275,872	(1,528,461)	112,165	586,534	1,391,210
Other Financing Sources (Uses)						
Transfers in	151,500	-	-	-	95,254	246,754
Transfers out	(95,254)	(177,588)	-	-	(130,254)	(403,096)
Issuance of general obligation bonds	-	-	6,925,000	-	-	6,925,000
Premium on general obligation bonds issued	-	-	257,608	-	-	257,608
Sale of general capital assets	44,208	-	-	-	10,000	54,208
Issuance of leases	26,383	-	-	-	-	26,383
Total other financing sources (uses)	126,837	(177,588)	7,182,608	-	(25,000)	7,106,857
Net Change in Fund Balances	2,071,937	98,284	5,654,147	112,165	561,534	8,498,067
Fund Balances, Beginning	8,344,397	107,970	4,952,458	3,970,915	3,153,195	20,528,935
Fund Balances, Ending	$ 10,416,334	$ 206,254	$ 10,606,605	$ 4,083,080	$ 3,714,729	$ 29,027,002

Town of Trophy Club, Texas

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended September 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balance - total governmental funds		$ 8,498,067
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlay exceeds depreciation and amortization in the current period.		
Capital outlay expenditures	$ 2,325,253	
Depreciation and amortization expense	(3,594,874)	
		(1,269,621)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		
Loss on sale of assets		(115,717)
Certain revenues in the government-wide statement of activities that do/(do not) provide current financial resources and (are)/are not reported as revenues in the governmental funds.		
This amount is the net change in deferred inflows of resources.		(2,243,265)
The issuance of long-term debt (e.g. bond proceeds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal amount of debt issued	$ (6,925,000)	
Amortization of bond premium	316,665	
Principal amount of debt paid to bondholders and lessors	3,397,255	
Lease financing for leases issued	(26,383)	
Net change in accrued interest payable	7,820	
Premium on bonds issued	(257,608)	
Net deferred offering charges and related debt issuance items	(217,088)	
		(3,704,339)
Some expenditures reported in the statement of revenues, expenditures, and changes in fund balances do/(do not) require the use of current financial resources but (are)/are not reported as expenses in the statement of activities. This adjustment is to reflect the net change in accrued compensated absences.		(55,761)
Current year OPEB expenditures are reported on the fiscal year basis in the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in total OPEB liability and related deferred outflows and inflows of resources balances.		(14,765)
Current year pension expenditures are reported on the fiscal year basis in the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in net pension liability and related deferred outflows and inflows of resources balances.		(292,886)
Change in net position of governmental activities		$ 801,713

Town of Trophy Club, Texas
Statement of Net Position – Proprietary Funds
September 30, 2023

	Business-type Activities		
		Nonmajor Fund	
	Storm Drainage Utility	Trophy Club Park	Total
Assets			
Current assets			
Cash and cash equivalents	$ 1,635,294	$ 358,985	$ 1,994,279
Accounts receivable	36,103	-	36,103
Prepaid items	-	476	476
Total current assets	1,671,397	359,461	2,030,858
Noncurrent assets			
Capital assets:			
Net depreciable capital assets	1,607,872	245,769	1,853,641
Total noncurrent assets	1,607,872	245,769	1,853,641
Total assets	3,279,269	605,230	3,884,499
Liabilities			
Current liabilities			
Accounts payable	28,364	19,996	48,360
Accrued interest	437	-	437
Long-term debt due within one year	175,468	-	175,468
Total liabilities	204,269	19,996	224,265
Net Position			
Net investment in capital assets	1,432,404	245,769	1,678,173
Unrestricted	1,642,596	339,465	1,982,061
Total net position	$ 3,075,000	$ 585,234	$ 3,660,234

Town of Trophy Club, Texas

Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds

For the Year Ended September 30, 2023

	Business-type Activities		
		Nonmajor Fund	
	Storm Drainage Utility	Trophy Club Park	Total
Operating Revenues			
Charges for services	$ 437,219	$ 268,703	$ 705,922
Total operating revenues	437,219	268,703	705,922
Operating Expenses			
Salaries and benefits	-	25,902	25,902
Supplies and materials	-	3,729	3,729
Repairs and maintenance	6,660	18,916	25,576
Utilities	1,700	9,763	11,463
Contractual services	113,967	54,248	168,215
Depreciation	51,083	14,467	65,550
Total operating expenses	173,410	127,025	300,435
Operating Income	263,809	141,678	405,487
Nonoperating Revenues (Expenses)			
Intergovernmental	-	31,750	31,750
Investment income	62,760	1,484	64,244
Interest expense	(3,180)	-	(3,180)
Total nonoperating revenues (expenses)	59,580	33,234	92,814
Income Before Transfers	323,389	174,912	498,301
Transfers in	177,588	55,015	232,603
Transfers out	(61,261)	(15,000)	(76,261)
Change in Net Position	439,716	214,927	654,643
Net Position, Beginning	2,635,284	370,307	3,005,591
Net Position, Ending	$ 3,075,000	$ 585,234	$ 3,660,234

Town of Trophy Club, Texas
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2023

	Business-type Activities		
	Storm Drainage Utility	Nonmajor Fund Trophy Club Park	Total
Cash Flows from Operating Activities			
Receipts from customers and users	$ 437,280	$ 268,703	$ 705,983
Payments to suppliers and service providers	(116,969)	(72,478)	(189,447)
Payments to employees for salaries and benefits	-	(25,902)	(25,902)
Net cash provided by operating activities	320,311	170,323	490,634
Cash Flows from Noncapital Financing Activities			
Transfers to other funds	(61,261)	(15,000)	(76,261)
Transfers from other funds	177,588	55,015	232,603
Operating grants	-	31,750	31,750
Net cash provided by noncapital financing activities	116,327	71,765	188,092
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	-	(71,948)	(71,948)
Interest paid on capital debt	(7,588)	-	(7,588)
Principal paid on capital debt	(170,000)	-	(170,000)
Net cash used for capital and related financing activities	(177,588)	(71,948)	(249,536)
Cash Flows from Investing Activities			
Interest on investments	62,760	1,484	64,244
Net cash provided by investing activities	62,760	1,484	64,244
Net Increase in Cash and Cash Equivalents	321,810	171,624	493,434
Cash and Cash Equivalents, Beginning	1,313,484	187,361	1,500,845
Cash and Cash Equivalents, Ending	$ 1,635,294	$ 358,985	$ 1,994,279
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income	$ 263,809	$ 141,678	$ 405,487
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	51,083	14,467	65,550
Changes in operating assets and liabilities:			
(Increase) Decrease in:			
Accounts receivable	61	-	61
Prepaid items	-	826	826
Increase (Decrease) in:			
Accounts payable	5,358	13,352	18,710
Net cash provided by operating activities	$ 320,311	$ 170,323	$ 490,634

TOWN OF
TROPHY CLUB

Notes to Financial Statements

TOWN OF
TROPHY CLUB

Note 1: Summary of Significant Accounting Policies

The Town of Trophy Club (Town) is a "home rule town" incorporated in 1985. The Town operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and emergency medical services), parks, public works (public improvements, streets, planning, and zoning), and general administrative services.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The Town currently has no fiduciary activities. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from a legally separate component unit for which the primary government is financially accountable.

Financial Reporting Entity

The Town of Trophy Club is a municipal corporation governed by an elected mayor and a six-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Thus, blended component units are appropriately presented as funds of the primary government. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the primary government.

Public Improvement District (PID) No. 1

On May 7, 2007, the Trophy Club Town Council approved Resolution 2007-08 authorizing and providing for the creation of a Public Improvement District. Trophy Club PID No.1 consists of approximately 609.68 acres within the corporate limits of the Town of Trophy Club. This District was created in accordance with Chapter 372 of the Texas Local Government Code. The PID issued refunding bonds in December 2015, with the approval of Town Council. The Town Council must review and update the service plan annually for the purpose of determining the annual budget for the PID No. 1. In addition, the PID No. 1 exclusively or almost exclusively benefits the primary government. The PID No. 1 is reported as major special revenue fund and does not issue separate financial statements.

Tax Increment Reinvestment Zone No. 1 (TIRZ No. 1)

The Tax Increment Reinvestment Zone No. 1 is governed by a board appointed by the Town's Council. The Town can impose its will on the TIRZ No. 1 and affect the day-to-day operations of the TIRZ No. 1 by removing appointed board members at will. The TIRZ No. 1 is funded by revenues generated through tax increment financing. Total debt outstanding is to be paid entirely with resources of the Town. Therefore, per GASB 14 paragraph 32, the primary government has an obligation to provide support to the TIRZ No. 1 (a financial burden). The TIRZ No. 1 is reported as a nonmajor special revenue fund and does not issue separate financial statements.

Crime Control and Prevention District

The Crime Control and Prevention District (CCPD) was formed under Chapter 363 of the Texas Local Government Code, the *Crime Control and Prevention Act*. The CCPD is organized exclusively to act on behalf of the Town to finance crime control within the Town. The CCPD is governed by a seven member board appointed by the Town Council. The annual budget and issuance of debt must be approved by the Town Council. The CCPD provides services entirely, or almost entirely to the primary government. The CCPD is reported as a nonmajor special revenue fund and does not issue separate financial statements.

Discretely Presented Component Unit

4B Economic Development Corporation

The 4B Economic Development Corporation (4B) serves all citizens of the Town and is governed by a board appointed by the Town's elected council. The Town can impose its will on the 4B and affect the day-to-day operations of the 4B by removing appointed board members at will. The scope of public service of the 4B benefits the Town and its citizens and is operated within the geographic boundaries of the Town. Since the 4B's governing body is not substantively the same as the governing body of the primary government, does not provide services entirely, or almost entirely to the primary government, nor does it maintain debt of any type that are repaid using Town resources, it has been reported as a discretely presented component unit. Separate financial statements for 4B component unit are not prepared.

Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the Town's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As discussed earlier, the Town has one discretely presented component unit. It is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided, and other charges between various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its blended component units. Separate statements for each fund category—governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

- **General Fund –** The General Fund is the main operating fund of the Town. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other funds are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

- **Debt Service Fund –** The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on long-term debt paid primarily from taxes levied by the Town. The fund balance of the Debt Service Fund is restricted to signify the amounts that are restricted exclusively for debt service expenditures.

- **Capital Projects Fund –** The Capital Projects Fund is used to account for funds received and expended for acquisition and construction of infrastructure and other capital assets.

- **Public Improvement District (PID) No. 1 –** This fund accounts for bond proceeds, assessments and related debt associated with the issuance of bonds issued by the Town for the Public Improvement District.

The Town reports the following major enterprise fund:

- **Storm Drainage Utility Fund –** The storm drainage fund accounts for the storm drainage utility fee designated for the maintenance of the Town's storm drainage system.

During the course of operations, the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, and postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources. Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 1 years of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) for the general, PID No. 1, hotel occupancy tax, street maintenance sales tax, court technology, court security, recreation programs, park land dedication, crime control and prevention district, and TIRZ No. 1 funds. The capital projects fund is appropriated on a project-length basis. The grants fund does not have appropriated budgets since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.

The original budget is adopted by the Town Council prior to the beginning of the year. The legal level of control as defined by the Town Charter is the fund level. No funds can be transferred or added which affect the total fund expenditures without Town Council approval.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances technically lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are reappropriated and become part of the subsequent year’s budget pursuant to state regulations, and the encumbrances are automatically reestablished in the next year.

Deposits and Investments

The Town's cash and cash equivalents includes cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Because the Town, at its option, can withdraw funds within a twenty-four hour period from TexPool and Texas Class, these investments are considered to be cash equivalents.

State statutes authorize the Town to invest in: (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are: (A) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (B) secured by obligations that are described by (1) – (4); or, (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with third party selected or approved by the Town, and placed through a primary government securities dealer. The Town's investments are governed by the same state statutes.

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a nonspendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital and Lease Assets

Capital and lease assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital and lease assets are defined by the Town as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year.

As the Town constructs or acquires capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the Town are depreciated/amortized using the straight-line method over the following estimated useful lives or lease term, whichever is shorter:

Buildings	30 Years
Improvements other than buildings	10-30 Years
Improvements other than buildings (streets)	30 Years
Machinery and equipment	7-15 Years
Vehicles	5-10 Years
Water system	25 Years
Infrastructure (storm drainage system)	40 Years

Lease Receivable

The Town is a lessor of its multiple water towers and recognizes a related lease receivable and a deferred inflow of resources. At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The Town monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has three items that qualify for reporting in this category. The three items are the deferred charge on refunding reported in the government-wide statement of net position, and deferred amounts related to pension and OPEB. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate to contributions after the measurement date, changes in actuarial assumptions, the difference in expected and actual economic experience, and difference between projected and actual investment earnings.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has four items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from: property taxes, special assessments, EMS, and property liens. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the Town reports deferred amounts related to pension relating to the changes in actuarial assumptions and difference in expected and actual economic experience. In both the government-wide financial statements and governmental funds financial statements, the Town reports deferred amounts related to leases which is comprised of the initial value of the lease receivable systematically reduced and recognized as lease revenue over the term of the lease.

Unearned Revenue

Governmental funds report a liability, unearned revenue, in connection with resources that have been received, but not yet earned, which consists primarily of grant dollars received in advance of incurring eligible expenditures.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures.

In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed when incurred.

Lease Liability

The Town is a lessee for noncancellable leases. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The Town recognizes lease liabilities with an initial, individual value of $5,000 or more. At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life or the lease term, whichever is shorter.

The Town monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

The Town has two single-employer defined benefit other postemployment benefit (OPEB) plans (Plans). For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital and lease assets, net of accumulated depreciation and amortization and reduced by outstanding balances of bonds, notes, leases, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." The Town's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- Nonspendable fund balance represents amounts that are either not in a spendable form or are legally or contractually required to remain intact.

- Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.

- Committed fund balance represents amounts that can be used only for the specific purposes determined by of the adoption of an ordinance committing fund balance for a specified purpose by the Town's Council prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Council adopts another ordinance to remove or revise the limitation.

- Assigned fund balance represents amounts that are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The Council has by resolution authorized the finance director and town manager to assign fund balance. The Council may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

- Unassigned fund balance represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

As previously mentioned, sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Program Revenues

Amounts reported as program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the Town.

Property taxes at the fund level are recorded as receivables and unearned revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

Accumulated Vacation, Compensated Time, and Sick Leave

It is the Town's policy to permit employees to accumulate earned, but unused vacation pay benefits. No liability is reported for unpaid accumulated sick leave. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations and retirements.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility fund and storm water utility funds are charges to customers for sales and services. The utility fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Standards

During fiscal year 2023, the Town adopted the following GASB standards:

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This standard addresses the gap in current accounting guidance related to public-private and public-public partnerships (both referred to as PPPs) that do not meet the definition of a service concession arrangement. The adoption of this standard had no impact on the Town.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The implementation of this standard establishes a single model for subscription-based information technology arrangements (SBITAs) accounting based on the principle that contracts are financings of the right to use an underlying information technology software asset. The standard requires recognition of certain right-to-use subscription assets and subscription liabilities. The adoption of this standard had no impact on the Town.

Future Financial Reporting Requirements

GASB Statement No. 100, *Accounting Changes and Error Corrections*. The objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement will take effect for the Town's fiscal year 2024. Management has not yet determined the impact of this Statement on its financial statements.

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement will take effect for the Tow's fiscal year 2025. Management has not yet determined the impact of this Statement on its financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement will take effect for the Town's fiscal year 2025. Management has not yet determined the impact of this Statement on its financial statements.

Note 2: Stewardship, compliance, and accountability

Deficit Fund Equity

At September 30, 2023, the Tax Increment Reinvestment Zone No. 1 fund had a deficit fund balance of $192,359. The deficit balances will be eliminated in the future as assessed values continue to increase as a result of growth and development within the TIRZ.

Note 3: Cash and Investments

The Town utilizes a pooled cash and investment concept for all its funds, to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested.

Deposits

At September 30, 2023, the carrying amount of the Town's demand deposits, including its component unit, totaled $23,750,293 and the bank balance was $23,705,627. Cash on hand for the Town was $400 and the carrying amount and bank balance of cash for the Public Improvement District No. 1 was $4,129,303.

Custodial Credit Risk

In the case of deposits, this is the risk that, in the event of a bank's failure, the Town's deposits may not be returned to it. Pursuant to provisions of both the *Texas Public Funds Investment Act* and the Public Funds Investment Policy of the Town, deposits of the Town that exceed the federal depository insurance coverage levels are materially collateralized with securities held by a third party custodian in the Town's name. Investments, other than investments that are obligations of the U.S. government, its agencies, and instrumentalities, are insured or registered in the Town's name and held by a third party custodian.

Investments

The Town's investment policies are governed by state statutes. The Town's investment policies further limit state statutes such that eligible investments include the following:

1. Obligations, including letters of credit, of the United States, its agencies, and instrumentalities, including the Federal Home Loan Banks.

2. Direct obligations of the State of Texas, its agencies and instrumentalities or obligations of agencies, counties, cities, and other political subdivisions of this State rated as to investment quality by a nationally recognized investment rating firm of not less than "A" or its equivalent.

3. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States.

4. Certificates of Deposit and other forms of deposit issued by a depository institution that has its main office or a branch office in Texas. The certificate of deposit must be guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor or secured by obligations in a manner and amount as provided by law. In addition, deposits obtained through a depository institution that has its main office or a branch office in Texas and that contractually agrees to place the funds in federally insured depository institutions in accordance with the conditions prescribed in Section 2256. 01 0(b) of the *Public Funds Investment Act* are authorized investments.

   Additionally, funds invested by the Town through a broker that has a main office or branch office in Texas and is selected from a list approved by the Town as required by section 2656.025 of the *Public Funds Investment Act* or a depository institution that has a main office or branch office in Texas and is selected by the Town are authorized investments if the following conditions are met:

   a. the broker or depository institution selected by the Town as specified above arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the Town;

   b. the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and

   c. the Town appoints a depository bank, or a clearing broker registered with the Securities and Exchange Commission Rule 15c-3 (17CFR, Section 240 15c3-3) as custodian for the Town with respect to the certificates of deposit issued for account to the Town.

5. Fully collateralized direct repurchase agreements with a defined termination date secured by obligations of the United States or its agencies and instrumentalities. These shall be pledged to the Town of Trophy Club, held in an account in the Town of Trophy Club's name, and deposited at the time the investment is made with the Town of Trophy Club or with a third-party selected and approved by the Town of Trophy Club. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas. A Master Repurchase Agreement, or similar agreement, must be signed by the bank/dealer prior to investment in a repurchase agreement. All repurchase agreement transactions will be on a delivery versus payment basis. Securities received for repurchase agreements must have a market value greater than or equal to 102 percent at the time funds are disbursed. (This section pertains to Sweep Accounts and/or Bond Proceeds)

6. No-Load Money Market Mutual funds that: 1) are registered and regulated by the Securities and Exchange Commission and provide a prospectus and other information required by the *Securities and Exchange Act of 1934* (15 U.S.C. Section 78a) or the Investment Company Act of 1940 (15 U.S.C. Section 80a-1), and 2) seek to maintain a stable net asset value of $1.0000 per share.

7. Local government investment pools, which: 1) meet the requirements of Chapter 2256.016 of the *Public Funds Investment Act*, 2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, and 3) are authorized by resolution or ordinance by the Town Council. In addition, a local government investment pool created to function as a money market mutual fund must mark its portfolio to the market daily and, to the extent reasonably possible, stabilize at a $1.0000 net asset value.

Investment Pools

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAm. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. At September 30, 2023, the fair value of the position in TexPool approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

Texas CLASS is a local government investment pool emphasizing safety, liquidity, convenience, and competitive yield. Since 1996, Texas CLASS has provided Texas public entities a safe and competitive investment alternative. Texas CLASS invests only in securities allowed by the Texas *Public Funds Investment Act*. The pool is governed by a board of trustees, elected annually by its participants. Texas CLASS is rated 'AAAm' by Standard and Poor's Ratings Services. The 'AAAm' principal stability fund rating is the highest assigned to principal stability government investment pools and is a direct reflection of Texas CLASS's outstanding credit quality and management. At September 30, 2023, the fair value of the position in Texas CLASS approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Town manages its exposure to declines in fair values by limiting the maximum maturity length of investments to three years.

As of September 30, 2023, the Town had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years) Less Than 1 Year
Texas CLASS	$ 3,039,619	$ 3,039,619
TexPool	5,243,653	5,243,653
Total	$ 8,283,272	$ 8,283,272

Credit Risk

The Town's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAAm, or equivalent, by at least one nationally recognized rating service. As of September 30, 2023, all of the Town's purchased investments in U.S. Agencies Obligations were rated AA+, AAA and Aaa by Standard & Poors, Fitch and Moody's, respectively

Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the Town's investment in a single issuer. The Town's investment policy states that the investment portfolio shall be diversified so that potential losses on individual issuers will be minimized. At September 30, 2023, the Town's investments are 100% in investment pools.

Fair Value of Investments

The Town measures and records its investments using, as appropriately, fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

Level 1 Quoted prices for identical investments in active markets;

Level 2 Observable inputs other than those in Level 1; and

Level 3 Unobservable inputs.

Debt and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches: debt securities are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors; equity securities are valued using fair value per share for each fund. Certificates of deposit classified in level 2 are valued using broker quotes that utilize observable market inputs. Securities classified as Level 3 have limited trade information, these securities are priced or using the last trade price or estimated using recent trade prices. At September 30, 2023, the Town had no investments in the fair value hierarchy.

Certain investments that are measured using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included below approximate net asset value for the applicable external investment pool balances. Additionally, the Town has investments in governmental pools as listed below, which are recorded at amortized cost, and excluded from the fair value hierarchy.

At September 30, 2023, the Town had the following investments:

Investments measured at net asset value		
Texas Class	$	3,039,619
Investments measured at amortized cost		
TexPool		5,243,653
Total investments	$	8,283,272

Note 4: Receivables

Below is the detail of receivables for the Town's major and nonmajor funds, including the applicable allowances for doubtful accounts:

	General	Debt Service	PID No. 1	Nonmajor Governmental	Storm Drainage Utility	Total
Receivables						
Property taxes	$ 35,323	$ 11,137	$ -	$ -	$ -	$ 46,460
Sales Tax	251,137	-	-	123,598	-	374,735
Franchise taxes	41,945	-	-	-	-	41,945
Hotel occupancy	-	-	-	109,974	-	109,974
Special assessments	-	-	17,356,338	-	-	17,356,338
Due from other governments	7,505	-	-	-	-	7,505
Municipal court	162,802	-	-	-	-	162,802
EMS	179,126	-	-	-	-	179,126
Storm drainage	-	-	-	-	36,103	36,103
Leases	299,608	-	-	-	-	299,608
Other	113,382	-	-	-	-	113,382
Gross receivables	1,090,828	11,137	17,356,338	233,572	36,103	18,727,978
Less: allowance for doubtful accounts	(153,915)	-	-	(10,500)	-	(164,415)
Net receivables	$ 936,913	$ 11,137	$ 17,356,338	$ 223,072	$ 36,103	$ 18,563,563

Based on the payment schedule for special assessment receivables, approximately $15,060,000 of the amount reported in the PID No. 1 fund is not expected to be collected within the next year.

Leases Receivable

The Town leases several water towers to third parties, terms of which expire in various years through 2027. The Town recognized approximately in $108,000 in lease revenue and $20,000 in interest revenue during the current fiscal year related to the leases. As of September 30, 2023, the Town's receivable for lease payments was $299,608. Also, the Town has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of September 30, 2023, the balance of the deferred inflow of resources was $280,312.

Note 5: Capital and Lease Assets

Capital and lease assets activity for the year ended September 30, 2023, was as follows:

	Beginning Balance	Additions	Sales/ Disposals	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	$ 10,487,119	$ -	$ -	$ -	$ 10,487,119
Construction in progress	999,245	1,198,379	-		2,197,624
Total capital assets, not being depreciated	11,486,364	1,198,379	-	-	12,684,743
Capital and lease assets, being depreciated/amortized:					
Buildings	10,659,919		-	-	10,659,919
Improvements other than buildings	65,461,454	550,503	-		66,011,957
Machinery and equipment	2,859,634	259,232	(152,032)	-	2,966,834
Vehicles	2,157,698	290,756	(62,881)	-	2,385,573
Water system	5,362,005	-	-	-	5,362,005
Lease asset	143,816	26,383	(19,192)		151,007
Infrastructure	14,332,062	-	-	-	14,332,062
Total capital and lease assets, being depreciated/amortized	100,976,588	1,126,874	(234,105)	-	101,869,357
Less accumulated depreciation/amortization for:					
Buildings	2,192,419	386,789	-	-	2,579,208
Improvements other than buildings	32,950,127	2,179,630	-	-	35,129,757
Machinery and equipment	2,065,133	233,433	(44,540)	-	2,254,026
Vehicles	1,117,920	222,137	(62,881)	-	1,277,176
Water system	2,024,433	175,875	-	-	2,200,308
Lease asset	32,245	32,719	(10,967)		53,997
Infrastructure	6,985,637	364,291	-	-	7,349,928
Total accumulated depreciation/amortization	47,367,914	3,594,874	(118,388)	-	50,844,400
Total capital and lease assets, being depreciated/amortized	53,608,674	(2,468,000)	(115,717)	-	51,024,957
Governmental activities capital and lease assets, net	$ 65,095,038	$ (1,269,621)	$ (115,717)	$ -	$ 63,709,700

	Beginning Balance	Additions	Sales/ Disposals	Transfers	Ending Balance
Business-Type activities:					
Capital assets, being depreciated:					
Improvements other than Buildings	$ 147,921	$ 10,966	$ -	$ -	$ 158,887
Machinery and equipment	36,610	60,982	-	-	97,592
Improvements	33,365	-	-	-	33,365
Infrastructure	2,039,766	-	-	-	2,039,766
Total capital assets, being depreciated	2,257,662	71,948	-	-	2,329,610
Less accumulated depreciation for:					
Improvements other than Buildings	1,894	7,036	-	-	8,930
Machinery and equipment	20,208	4,095	-	-	24,303
Improvements	7,506	3,336	-	-	10,842
Infrastructure	380,811	51,083	-	-	431,894
Total accumulated depreciation	410,419	65,550	-	-	475,969
Total capital assets, being depreciated, net	1,847,243	6,398	-	-	1,853,641
Business-type activities capital assets, net	$ 1,847,243	$ 6,398	$ -	$ -	$ 1,853,641

Depreciation and amortization expense was charged to the functions/programs of the primary government as follows:

Governmental Activities	
General government	$ 395,255
Emergency medical services	88,473
Information systems	32,279
Police	139,860
Fire	61,195
Parks and recreation	742,543
Community	12,517
Streets (Infrastructure)	2,122,752
Total governmental activities depreciation/amortization expense	$ 3,594,874
Business-type Activities	
Trophy Club Park	$ 14,467
Storm Drainage Utility	51,083
Total business-type activities	$ 65,550

Note 6: Long-term Liabilities

The following is a summary of changes in the Town's total long-term liabilities for the year ended September 30, 2023.

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds	$ 6,595,000	$ -	$ 705,000	$ 5,890,000	$ 725,000
Certificates of Obligation	12,298,000	6,925,000	1,183,000	18,040,000	1,240,000
Special Assessment Bonds	21,245,000	-	1,469,000	19,776,000	1,549,000
Bond Premiums	3,482,143	257,608	316,665	3,423,086	-
Total bonds payable	43,620,143	7,182,608	3,673,665	47,129,086	3,514,000
Leases payable	99,617	26,383	40,255	85,745	36,451
Compensated absences	271,404	301,475	245,714	327,165	294,448
Total government activities	$ 43,991,164	$ 7,510,466	$ 3,959,634	$ 47,541,996	$ 3,844,899
Business-Type Activities:					
Certificates of Obligation	$ 345,000	$ -	$ 170,000	$ 175,000	$ 175,000
Bond Premiums	4,486	-	4,018	468	468
Total bonds payable	349,486	-	174,018	175,468	175,468
Total business-type activities	$ 349,486	$ -	$ 174,018	$ 175,468	$ 175,468

The Town intends to retire all of its governmental activities general long-term liabilities, plus accrued interest, from property taxes and other current revenues from the debt service fund as has been done in prior years. The special assessment bonds are expected to be liquidated from the PID No. 1 fund. The general fund has typically been used to liquate the liability for compensated absences for governmental activities. The proprietary fund type long-term debt will be repaid, plus accrued interest, from operating revenues of the respective fund.

General Obligation Bonds

The Town issues general obligation bonds and certificates of obligations to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Town. General obligation bonds and certificates of obligation outstanding at September 30, 2023, are as follows:

Governmental Activities	Interest Rate (%)	Final Maturity	Original Borrowing	Outstanding at Year-End
General Obligation Bonds:				
Refunding	2.18	2025	$ 2,030,000	$ 485,000
Improvements	2.00-3.00	2036	5,245,000	3,610,000
Refunding	1.16	2030	3,550,000	1,795,000
				$ 5,890,000
Certificate of Obligations:				
Combination Tax and Revenue Series 2004	3.50-4.75	2024	650,000	$ 35,000
Certificates of Obligation Series 2013	2.50-3.25	2028	1,300,000	565,000
Certificates of Obligation Series 2014	2.00-4.00	2034	2,500,000	1,555,000
Certificates of Obligation Series 2016	2.00-4.00	2036	4,210,000	3,020,000
Certificates of Obligation Series 2017	2.50-3.00	2037	4,445,000	2,855,000
Certificates of Obligation Series 2021	2.00-4.00	2041	4,305,000	3,085,000
Certificates of Obligation, Series 2023	4.00-5.00	2043	6,925,000	6,925,000
				$ 18,040,000

Business-type Activities	Interest Rate (%)	Final Maturity	Original Borrowing	Outstanding at Year-End
Certificates of Obligation Series 2013	2.50-3.00	2024	$ 1,700,000	$ 175,000
				$ 175,000

Changes in Financing

In fiscal year 2023, the Town issued $6,925,000 of combination tax and revenue certificates of obligation, series 2023 August 15, 2023, with a premium of $257,608, bearing interest rates ranging from 4.0% to 5.0%. The certificates will be used for designing, developing, constructing, improving and renovating Town parks and green spaces including park and recreation facilities, including sports fields and the acquisition of land; designing, developing, constructing, improving, extending, and expanding streets, thoroughfares, sidewalks, bridges, and other public ways of the Town, including streetscaping, street facilities, streetlighting, right-of-way protection, utility relocation, and related storm drainage improvements; and acquiring rights-of-way in connection therewith; Town public parking facilities located at Town Hall; professional services incurred in connection with these items; and to pay the costs incurred in connection with the issuance of the certificates.

Special Assessment Bonds

The Town also issued special assessment debt in 2015 to provide funds for improvements within Trophy Club PID No. 1 area. These bonds will be repaid from special assessments levied on the property owners benefiting from this construction. Those amounts, including interest, are 100% pledged to pay the scheduled principal and interest payments on the special assessment bonds. The Town is not obligated to pay the bonds from any funds raised from taxation or from any other revenues available to the Town.

Governmental Activities	Interest Rate (%)	Final Maturity	Original Borrowing	Outstanding at Year-End
Special Assessment:				
Special Assessment Revenue Refunding-Series 2015	2.00-4.00	2033	$ 26,154,979	$ 19,776,000
				$ 19,776,000

The debt service requirements for the Town's bonds are as follows:

	Governmental Activities			Business-type Activities		
Year Ended September 30, 2022	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2024	$ 3,514,000	$ 1,490,203	$ 5,004,203	$ 175,000	$ 2,625	$ 177,625
2025	3,912,000	1,347,982	5,259,982	-	-	-
2026	3,218,000	1,225,121	4,443,121	-	-	-
2027	3,343,000	1,128,935	4,471,935	-	-	-
2028	3,477,000	1,027,618	4,504,618	-	-	-
2029-2033	18,237,000	3,276,563	21,513,563	-	-	-
2034-2038	5,400,000	849,588	6,249,588	-	-	-
2039-2043	2,605,000	222,600	2,827,600	-	-	-
Total	$ 43,706,000	$ 10,568,610	$ 54,274,610	$ 175,000	$ 2,625	$ 177,625

Leases Payable

The Town has agreements as lessee for equipment and copiers, the terms of which expire in various years through 2027.

The following is a schedule by year of payments under the leases as of September 30, 2023:

Year Ending September 30,	Principal	Interest	Total
2024	$ 36,451	$ 2,427	$ 38,878
2025	37,299	1,579	38,878
2026	7,010	688	7,698
2027	4,985	147	5,132
Total	$ 85,745	$ 4,841	$ 90,586

Note 7: Interfund Transactions

Due to/from component unit

The composition of amounts due to/from component unit as of September 30, 2023, is as follows:

Receivable	Payable	Amount
Component Unit	General Fund	$ 7,443
	Nonmajor Governmental Fund	14,891
		$ 22,334

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances from/to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	PID No. 1	$ 46,223
General Fund	Nonmajor Governmental Fund	386,503
		$ 432,726

The amount payable to the general fund from the nonmajor governmental fund relates to a working capital loan made to a nonmajor governmental fund. None of the balance is scheduled to be collected in the subsequent year. The amount payable to the general fund from the Public Improvement District No. 1 fund relates to expenditures paid for by the general fund during prior years. The balance is expected to be paid in future years as the Public Improvement District No. 1 fund increases revenues.

Interfund transfers

The composition of interfund transfers for the year ended September 30, 2023, is as follows:

	Transfer In				
Transfer Out:	General	Nonmajor Governmental Funds	Storm Drainage Utility Fund	Nonmajor Enterprise Fund	Total
General Fund	$ -	$ 95,254	$ -	$ -	$ 95,254
Debt Service Fund	-	-	177,588	-	177,588
Capital Projects Fund	-	-	-	-	-
Nonmajor Governmental Funds	116,500	-	-	13,754	130,254
Storm Drainage Utility Fund	20,000	-	-	41,261	61,261
Nonmajor Enterprise Fund	15,000	-	-	-	15,000
Total	$ 151,500	$ 95,254	$ 177,588	$ 55,015	$ 479,357

Transfers were primarily used to support debt service, capital expenditures, and to transfer funds to the general fund for budgeted administrative costs.

Note 8: Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The Town participates in the Texas Municipal League Intergovernmental Risk Pool (Pool) which provides protection for risks of loss. Premiums are paid to the Pool that retains the risk of loss beyond the Town's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the Town's basic financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage.

Note 9: Contingencies

Federal Grant Programs

The Town participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the *Single Audit Act* as amended. Accordingly, the Town's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, will be immaterial.

Note 10: Defined Benefit Pension Plan

Plan Description

The Town participates as one of over 900 plans in the defined benefit cash-balance pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (ACFR) that can be obtained at tmrs.com.

All eligible employees of the Town are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS.

At retirement, the Member's benefit is calculated based on the sum of the Member's contributions, with interest, and the Town-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest. The plan provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Plan provisions for the Town were as follows:

Member Deposit Rate	7%
Town Matching Ratio	2 to 1
Updated Service Credit	100% Transfers
Annuity Increases to Retirees	30% CPI-U since retirement date
Vesting	5 years
Service Retirement Eligibilities	5 years/age 60, 20 years/any age

Employees Covered by Benefit Terms

At the December 31, 2022, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	56
Inactive employees entitled to but not yet receiving benefits	116
Active employees	73
	245

Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the Member's total compensation, and the Town matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the Town. Under the state law governing TMRS, the contribution rate for each Town is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The Town's contribution rate is based on the liabilities created from the benefit plan options selected by the Town and any changes in benefits or actual experience over time.

Employees for the Town were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the Town were 12.58% and 12.68% in calendar years 2022 and 2023, respectively. The Town's contributions to TMRS for the year ended September 30, 2023, were $808,561 and were equal to the required contributions.

Net Pension Liability

The Town's Net Pension Liability was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Total Pension Liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75% net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees for Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who became disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014, to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.00%	7.70%
Core Fixed Income	6.00%	4.90%
Non-Core Fixed Income	20.00%	8.70%
Other Public and Private Markets	12.00%	8.10%
Real Estate	12.00%	5.80%
Hedge Funds	5.00%	6.90%
Private Equity	10.00%	11.80%
Total	100.00%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive Members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
Balance, Beginning of Year	$ 25,191,362	$ 25,401,717	$ (210,355)
Changes for the year:			
Service cost	1,068,025	-	1,068,025
Interest (on the Total Pension Liability)	1,707,812	-	1,707,812
Difference between expected and actual experience	26,108	-	26,108
Changes in assumptions	-	-	-
Contributions - member	-	422,144	(422,144)
Contributions - employer	-	758,653	(758,653)
Net investment income	-	(1,856,921)	1,856,921
Benefit payments, including refunds of member contributions	(848,925)	(848,925)	-
Administrative expense	-	(16,045)	16,045
Other	-	19,147	(19,147)
Net Changes	1,953,020	(1,521,947)	3,474,967
Balance, End of Year	$ 27,144,382	$ 23,879,770	$ 3,264,612

Sensitivity of the Net Position Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Town, calculated using the discount rate of 6.75%, as well as what the Town's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net pension liability (asset)	$ 7,421,129	$ 3,264,612	$ (104,178)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City/Town. That report may be obtained at tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2023, the Town recognized pension expense of $1,101,447.

At September 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual investment earnings	$ 1,655,072	$ -
Difference in expected and actual economic experience	78,485	-
Contributions subsequent to the measurement date	624,583	-
	$ 2,358,140	$ -

$624,583 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ending 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30,	Net Deferred Outflows of Resources
2024	$ 174,183
2025	409,238
2026	435,831
2027	714,305
	$ 1,733,557

Allocation of Pension Items

The Town allocates pension items to the governmental activities on the basis of employee payroll funding. The net pension liability/(asset) is liquidated by the General Fund, Street Maintenance Sales Tax Fund, and Hotel Occupancy Tax Fund.

Note 11: Other Postemployment Benefits (OPEB)

A summary of the total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense of each plan is shown below. Detailed discussion of each plan will follow in this note.

	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Governmental Activities				
Supplemental Death Benefits Plan	$ 235,202	$ 45,489	$ 132,691	$ 18,625
Retiree Health Care Plan	52,483	-	25,298	1,374
Total governmental activities	$ 287,685	$ 45,489	$ 157,989	$ 19,999

Texas Municipal Retirement System Supplemental Death Benefits Fund

Plan Description

Texas Municipal Retirement System (TMRS) administers an optional death benefit plan, the Supplemental Death Benefits Fund (SDBF), which operates like a group-term life insurance plan. This is a voluntary program in which participating member cities may elect, by ordinance, to provide supplemental death benefits for their active Members with optional coverage for their retirees. The Town has elected to participate in the SBDF for its active members, including retirees. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded single-employer OPEB plan (i.e., no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75).

Benefits Provided

The death benefit for active Members provides a lump-sum payment approximately equal to the Member's annual salary (calculated based on the Member's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered another postemployment benefit (OPEB) and is a fixed amount of $7,500.

Employees Covered by Benefit Terms

At the December 31, 2022, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	34
Inactive employees entitled to but not yet receiving benefits	32
Active employees	73
	139

Contributions

The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the Town. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. As such, contributions fund the covered active Member and retiree deaths on a pay-as-you-go basis. Due to the SDBF being considered an unfunded OPEB plan, benefit payments are treated as being equal to the Town's yearly contributions for retirees.

The retiree portion of the contribution rates for the Town to the SDBF were 0.06% and 0.08% for calendar year 2022 and 2023, respectively. The Town's contributions to the SBDF for the year ended September 30, 2023, were $3,618, and were equal to the required contributions.

Total OPEB Liability

The Town's Total OPEB Liability was measured as of December 31, 2022, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Salary increases	3.50% to 11.50% including inflation
Discount rate	4.05% (1.84% in prior year)
Retirees' share of benefit- related costs	$0

All administrative expenses are paid through the Town's Pension Trust and accounted for under reporting requirements of GASB Statement No. 68. Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. Mortality rates for disabled annuitants were based on the mortality tables for healthy retirees is used with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31, 2022, valuation was based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018. Because the Supplemental Death Benefits Fund is considered an unfunded trust under GASB Statement No. 75, the relevant discount rate for calculating the Total OPEB Liability is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of the measurement date.

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance, Beginning of Year	$ 361,536
Changes for the year	
Service cost	26,535
Interest on Total OPEB Liability	6,863
Differences between expected and actual experience	(21,220)
Changes of assumptions	(134,894)
Benefit payments	(3,618)
Net changes	(126,334)
Balance, End of Year	$ 235,202

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town, calculated using the discount rate of 4.05%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.05%) or 1-percentage- point higher (5.05%) than the current rate:

	1% Decrease in Discount Rate (3.05%)	Discount Rate (4.05%)	1% Increase in Discount Rate (5.05%)
Total OPEB liability	$ 285,786	$ 235,202	$ 196,514

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the Town recognized OPEB expense of $18,625.

At September 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	$ 2,757	$ 23,279
Changes in assumptions	38,791	109,412
Contributions made subsequent to measurement date	3,941	-
	$ 45,489	$ 132,691

The Town reported $3,941 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the Total OPEB Liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30,	Net Deferred Outflows of Resources
2024	$ (16,002)
2025	(18,547)
2026	(27,863)
2027	(28,731)
	$ (91,143)

Retiree Health Care Plan

Plan Description

The Town offers retired employees and their dependents the option to retain health, dental, and vision insurance coverage under the Town's insurance carrier until the age 65 through a single employer defined benefit plan. The Town does not make a direct contribution for retiree medical coverage. The retirees participate in the same plan as active employees. This effect on cost is considered to be an implicit rate subsidy. To be eligible for retiree health plan benefits, retired employees must be at least age 55 and have 10 years of service with the Town. The plan does not issue a separate report. Benefit provisions for retirees are not mandated by any form of employment agreement and the continued provision of these benefits is based entirely on the discretion of the Town Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Benefits Provided

Retiree medical coverage levels for retirees are the same plans and benefits for all active employees in accordance with the terms and conditions of the Town's current health plan. Premiums for the retiree health plans are 195% of the current contribution rate for active employees. The plans themselves are the same as well with regard to benefits and structure with no differentiation. The contributions and coverage continue until the retiree reaches age 65.

Employees Covered by Benefit Terms

At September 30, 2023, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	-
Active employees	62
	62

Total OPEB Liability

The Town's Total OPEB Liability was measured as of September 30, 2023, and the Total OPEB Liability was determined by an actuarial valuation as of September 30, 2022.

Actuarial Assumptions:

The Total OPEB Liability in the September 30, 2022, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary increases	3.50%, including inflation
Discount rate	4.77% (4.77% in prior year)
Retirees' share of benefit- related costs	Retiree pays a 195% of the active employee monthly contribution rate for medical/ dental/vision coverage
Health-care cost trend rates	Level 4.50%

Mortality rates were based on RPH-2014 Total Table with Projection MP-2019. Because the Retiree Health Care Plan is considered an unfunded trust under GASB Statement No. 75, the relevant discount rate for calculating the Total OPEB Liability is based on the S&P Municipal Bond 20-Year High Grade Rate index as of the measurement date.

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance, Beginning of Year	$ 45,909
Changes for the year	
Service cost	4,185
Interest on Total OPEB Liability	2,389
Net changes	6,574
Balance, End of Year	$ 52,483

Rate Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability of the Town, calculated using the discount rate of 4.77%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.77%) or 1-percentage- point higher (5.77%) than the current rate:

	1% Decrease in Discount Rate (3.77%)	Discount Rate (4.77%)	1% Increase in Discount Rate (5.77%)
Total OPEB liability	$ 47,288	$ 52,483	$ 58,297

The following presents the total OPEB liability of the Town, calculated using the healthcare cost trend rate of 4.5%, as well as what the Town's total OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower (3.5%) or 1-percentage- point higher (4.5%) than the current rate:

	1% Decrease in Trend Rate (3.50%)	Healthcare Trend Rate (4.50%)	1% Increase in Trend Rate (5.50%)
Total OPEB liability	$ 45,874	$ 52,483	$ 60,258

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the Town recognized OPEB expense of $1,374.

At September 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	$ -	$ 12,157
Changes in assumptions	-	13,141
	$ -	$ 25,298

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30,	Net Deferred Inflows of Resources
2024	$ (5,200)
2025	(5,200)
2026	(5,200)
2027	(5,058)
2028	(4,224)
Thereafter	(416)
	$ (25,298)

Allocation of OPEB Items

The Town allocates OPEB items to the governmental activities on the basis of employee payroll funding. The total OPEB liability is liquidated by the General Fund, Street Maintenance Sales Tax Fund, and Hotel Occupancy Tax Fund.

Note 12: Deferred Compensation Plan

The Town has established a single-employer defined contribution, deferred compensation plan (457 Plan) in accordance with Internal Revenue Code, Section 457(b). The 457 Plan is available to all full-time employees of the Town. The 457 Plan is administered by ICMA Retirement Corporation doing business as Mission Square Retirement. Benefit provisions are contained in the plan document and were established and can be amended by action of the Town Council. All 457 Plan assets and income are held in trust for the exclusive benefit of participants and their beneficiaries; therefore, it is not reported in the financial statements of the Town.

The 457 Plan permits employees to defer a portion of their salaries until future years. The benefits of the 457 Plan are not available to employees until termination, retirement, or unforeseeable emergency. Benefits are available to employee's beneficiaries in case of death. The Town does not contribute to the 457 Plan.

Note 13: Tax Abatements

The Town enters into tax abatement agreements with local businesses under Chapter 380 of the Texas Local Government Code. The Town has the authority under both Article III, Section 52-a of the Texas Constitution and Chapter 380 to make public funds available for the purposes of promoting local economic development and stimulating business and commercial activity with the Town. The Town offers individual incentive packages to attract new business to the Town. Abatements may be granted by Town Council resolution to companies or developers agreeing to relocate to the Town or to establish a new business in the Town. As part of the agreements, the Town agrees to refund a portion of incremental Local Sales and Use Tax, Type B Sales and Use Tax, and/or Property Taxes after confirmation of payment. The agreements entered into by the Town include clawback provisions should the recipient of the tax abatement fail to fully meet its commitments, such as annual sales levels or appraised values of real and personal property located on the project site. As a part of these agreements, the Town may also provide Developers financial assistance for Developer's expenditures made towards the Project. In addition to tax abatements, the Town occasionally makes additional commitments in its economic development incentive agreements. The following additional commitments have been made:

- The Town agreed to provide a loan of $200,000 to fund certain permanent improvements to a building related to a qualified project during fiscal year 2021. The loan was to be paid back with interest of 2% calculated annually within four years of the date the Certificate of Occupancy is issued. During fiscal year 2022, the payee closed operations and was in default of the agreement. The Town is currently developing a revised repayment plan with expectations of full collectability of the original outstanding amount. The current loan amount is the note receivable balance in the 4B Economic Development Corporation.

For the fiscal year ended September 30, 2023, the Town has two open tax abatement agreements and abated the following amounts under these agreements:

Open Agreements - Type of Tax Abatement	Amount of Taxes Abated During the Fiscal Year
Town of Trophy Club	
Property tax	$ 29,043
Sales tax	11,239
	$ 40,282

Note 14: 4B Economic Development Corporation (4B)

The 4B Economic Development Corporation (4B) is financed with a voter approved half-cent Town sales tax, to aid, promote and further the economic development within the Town.

Cash and Investments

Cash and cash equivalents for the 4B as of September 30, 2023, consist of and are classified in the accompanying financial statements as follows:

Cash and cash equivalents	$ 1,504,186
Total cash and cash equivalents	$ 1,504,186

Investments

Because the Town provides investment services for the 4B, the Town adheres to its investment policy and all state statutes when investing available cash for the Town. The 4B's investments balances at September 30, 2023, were $1,179,839 (included in cash and cash equivalents for financial statement purposes) and were in held in TexPool.

Note Receivable

In connection with an economic development incentive agreement, as noted previously, 4B agreed to provide a loan of $200,000 to fund certain permanent improvements to a building related to a qualified project during fiscal year 2021. The loan was to be paid back with interest of 2% calculated annually within four years of the date the Certificate of Occupancy is issued. During fiscal year 2022, the payee closed operations and was in default of the agreement. The Town is currently developing a revised repayment plan with expectations of full collectability of the original outstanding amount. Scheduled note receivable payments as of year-end are as follows:

Year Ended September 30,	Future Minimum Note Receivable Amounts
2024	$ 62,500
2025	37,500
2026	50,000
Total	$ 150,000

Capital Assets

Capital asset activity for the year ended September 30, 2023, is as follows:

Component Unit Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	$ 2,538,765	$ -	$ -	$ 2,538,765
Total capital assets, not being depreciated	2,538,765	-	-	2,538,765
Capital assets, being depreciated:				
Infrastructure	367,960	-	-	367,960
Total capital assets, being depreciated	367,960	-	-	367,960
Less accumulated depreciation for:				
Infrastructure	81,932	24,693	-	106,625
Total accumulated depreciation	81,932	24,693	-	106,625
Total capital assets, being depreciated, net	286,028	(24,693)	-	261,335
Total capital assets	$ 2,824,793	$ (24,693)	$ -	$ 2,800,100

Depreciation expense charged to the 4B component unit was $24,693.

Long-term Debt

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2023, is as follows:

Component Unit Activities	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Sales Tax Revenue Bonds	$ 1,955,000	$ -	$ 115,000	$ 1,840,000	$ 120,000
Bond Discounts	(17,210)	-	(1,333)	(15,877)	-
Total bonds payable	1,937,790	-	113,667	1,824,123	120,000
Total component unit activities	$ 1,937,790	$ -	$ 113,667	$ 1,824,123	$ 120,000

Sales Tax Revenue Bonds

4B issued sales tax revenue bonds to provide funds for purchasing land within the Town to be used to promote new or expanded business enterprises including for entertainment, convention, tourist, sports and exhibition facilities, amphitheaters, concert halls, parks, open space, restaurants, retail, parking facilities, public safety facilities and related roads, street and water and sewer facilities and improvements. Sales tax revenue bonds outstanding at September 30, 2023, are as follows:

Component Unit Activities	Interest Rate (%)	Final Maturity	Original Borrowing	Outstanding at Year-End
Sales Tax Revenue Bonds, Taxable Series 2015	1.00-4.75	2035	$ 2,690,000	$ 1,840,000
			$ 2,690,000	$ 1,840,000

The debt service requirements for the sales tax revenue bonds are as follows:

	Component Unit Activities		
Year Ended September 30,	Principal	Interest	Total Requirements
2024	$ 120,000	$ 82,263	$ 202,263
2025	125,000	77,463	202,463
2026	130,000	72,213	202,213
2027	135,000	66,688	201,688
2028-2032	775,000	241,050	1,016,050
2033-2035	555,000	53,675	608,675
Total	$ 1,840,000	$ 593,352	$ 2,433,352

The following is a summary of pledged revenues of 4B for the year ended September 30, 2023:

Revenue Pledged	Total Pledged Revenue	Current Year Debt Service Requirements	Percentage Portion of Pledged Revenue Stream	Remaining Principal and Interest	Period Revenue Will Not Be Available For Other Purposes
.5% sales and use tax	$ 767,911	$ 202,896	26.4%	$ 2,433,352	Until 2035

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Required Supplementary Information (Unaudited)

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Town of Trophy Club, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – General Fund
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property tax	$ 8,369,014	$ 8,369,014	$ 8,630,785	$ 261,771
Sales and mixed beverage taxes	1,480,000	1,480,000	1,613,746	133,746
Franchise and local taxes	877,500	877,500	1,016,222	138,722
License and permits	190,000	190,000	253,027	63,027
Intergovernmental	1,076,655	1,076,655	1,545,538	468,883
Charges for services	815,154	815,154	1,519,212	704,058
Fines and forfeitures	298,811	298,811	412,199	113,388
Lease revenue	-	-	107,834	107,834
Interest revenue - leases	-	-	20,188	20,188
Investment income	24,000	24,000	639,154	615,154
Other revenue	161,000	161,000	19,580	(141,420)
Total revenues	13,292,134	13,292,134	15,777,485	2,485,351
Expenditures				
Current:				
General government	228,844	210,706	216,004	(5,298)
Manager's office	773,531	833,531	758,661	74,870
Human resources	292,238	292,238	268,107	24,131
Finance	648,042	654,212	504,727	149,485
Information services	811,517	811,517	641,317	170,200
Legal	150,230	150,230	159,807	(9,577)
Municipal court	7,240	7,240	90,063	(82,823)
Police	3,287,589	3,373,991	3,371,490	2,501
Fire	1,495,176	1,531,530	1,571,944	(40,414)
Emergency medical services	1,382,300	1,418,654	1,453,750	(35,096)
Facilities management	355,071	370,468	1,425,314	(1,054,846)
Parks and recreation	2,540,080	2,547,672	2,302,847	244,825
Community development	543,636	546,939	483,392	63,547
Tourism	-	-	256,975	(256,975)
Sanitation	314,195	314,195	-	314,195
Debt Service:				
Principal	-	-	10,165	(10,165)
Capital outlay	-	-	317,822	(317,822)
Total expenditures	12,829,689	13,063,123	13,832,385	(769,262)
Excess of Revenues Over Expenditures	462,445	229,011	1,945,100	1,716,089
Other Financing Sources (Uses)				
Transfers in	151,500	151,500	151,500	-
Transfers out	(594,907)	(1,594,907)	(95,254)	1,499,653
Issuance of leases	-	-	26,383	26,383
Sale of general capital assets	-	-	44,208	44,208
Total other financing sources (uses)	(443,407)	(1,443,407)	126,837	1,570,244
Net Change in Fund Balance	$ 19,038	$ (1,214,396)	2,071,937	$ 3,286,333
Fund Balance, Beginning			8,344,397	
Fund Balances, Ending			$ 10,416,334	

Town of Trophy Club, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Public Improvement District No. 1
For the Year Ended September 30, 2023

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Special assessments	$ 2,261,888	$ 2,267,110	$ 5,222
Investment income	-	177,679	177,679
Miscellaneous	48,701	-	(48,701)
Total revenues	2,310,589	2,444,789	134,200
Expenditures			
General government	48,701	48,701	-
Debt Service:			
Principal	1,469,000	1,469,000	-
Interest and fiscal charges	792,888	814,923	(22,035)
Total expenditures	2,310,589	2,332,624	(22,035)
Net Change in Fund Balances	$ -	112,165	$ 112,165
Fund Balances, Beginning		3,970,915	
Fund Balances, Ending		$ 4,083,080	

Town of Trophy Club, Texas

Schedule of Changes in the Town's Net Pension Liability / (Asset) and Related Ratios – Texas Municipal Retirement System

Measurement Date December 31,	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability									
Service cost	$ 809,057	$ 804,453	$ 795,448	$ 789,530	$ 863,553	$ 980,663	$ 1,044,859	$ 1,059,781	$ 1,068,025
Interest (on the Total Pension Liability)	970,682	1,053,745	1,113,555	1,173,728	1,263,163	1,354,175	1,466,317	1,572,070	1,707,812
Changes of benefit terms	(1,544,038)	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(49,303)	(237,279)	(471,044)	(62,418)	(258,925)	(3,497)	(142,491)	191,092	26,108
Change in assumptions	-	368,895	-	-	-	(802)	-	-	-
Benefit payments, including refunds of employee contributions	(450,100)	(632,921)	(450,496)	(636,604)	(589,161)	(566,895)	(835,638)	(783,233)	(848,925)
Net Change in Total Pension Liability	(263,702)	1,356,893	987,463	1,264,236	1,278,630	1,763,644	1,533,047	2,039,710	1,953,020
Total Pension Liability - Beginning	15,231,441	14,967,739	16,324,632	17,312,095	18,576,331	19,854,961	21,618,605	23,151,652	25,191,362
Total Pension Liability - Ending	14,967,739	16,324,632	17,312,095	18,576,331	19,854,961	21,618,605	23,151,652	25,191,362	27,144,382
Plan Fiduciary Net Position									
Contributions - employer	660,364	658,543	593,840	606,585	633,832	710,975	760,116	808,487	758,653
Contributions - employee	316,613	340,458	329,281	323,389	347,155	384,574	406,480	420,786	422,144
Net investment income	681,774	19,357	912,155	2,061,434	(515,889)	2,642,216	1,537,272	2,883,176	(1,856,921)
Benefit payments, including refunds of employee contributions	(450,100)	(632,921)	(450,496)	(636,604)	(589,161)	(566,895)	(835,638)	(783,233)	(848,925)
Administrative expense	(7,117)	(11,788)	(10,296)	(10,676)	(9,961)	(14,914)	(9,935)	(13,322)	(16,045)
Other	(585)	(582)	(555)	(541)	(520)	(448)	(388)	91	19,147
Net Change in Plan Fiduciary Net Position	1,200,949	373,067	1,373,929	2,343,587	(134,544)	3,155,508	1,857,907	3,315,985	(1,521,947)
Plan Fiduciary Net Position - Beginning	11,915,329	13,116,278	13,489,345	14,863,274	17,206,861	17,072,317	20,227,825	22,085,732	25,401,717
Plan Fiduciary Net Position - Ending	13,116,278	13,489,345	14,863,274	17,206,861	17,072,317	20,227,825	22,085,732	25,401,717	23,879,770
Net Pension Liability / (Asset) - Ending	$ 1,851,461	$ 2,835,287	$ 2,448,821	$ 1,369,470	$ 2,782,644	$ 1,390,780	$ 1,065,920	$ (210,355)	$ 3,264,612
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.63%	82.63%	85.85%	92.63%	85.99%	93.57%	95.40%	100.84%	87.97%
Covered Payroll	$ 4,523,041	$ 4,863,685	$ 4,704,011	$ 4,619,838	$ 4,954,406	$ 5,493,911	$ 5,722,119	$ 6,011,235	$ 6,030,633
Net Pension Liability / (Asset) as a Percentage of Covered Payroll	40.93%	58.30%	52.06%	29.64%	56.17%	25.31%	18.63%	-3.50%	54.13%

Other Information:
For the 2015 valuation, inflation used was 2.5%, investment rate of return and discount rate used was 6.75% and actuarial studies were updated through December 31, 2014.
For the 2019 valuation, actuarial studies were updated through December 31, 2018.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for only those years for which information is available. Information has been determined as of the Town's measurement date (December 31).

Town of Trophy Club, Texas
Schedule of Contributions
Texas Municipal Retirement System

Fiscal Year Ended September 30,	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	$ 642,631	$ 627,419	$ 598,176	$ 638,736	$ 736,208	$ 728,124	$ 810,363	$ 793,562	$ 808,561
Contribution in relation of the actuarially determined contribution	642,631	627,419	598,176	638,736	736,208	728,124	810,363	793,562	808,561
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 4,617,652	$ 4,822,763	$ 4,559,463	$ 4,911,902	$ 5,640,011	$ 5,524,768	$ 5,985,416	$ 6,195,743	$ 6,387,617
Contributions as a percentage of covered payroll	13.92%	13.01%	13.12%	13.00%	13.05%	13.18%	13.54%	12.81%	12.66%

Notes to Required Supplementary Information – TMRS

Notes to Schedule of Contributions
Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed fair value; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.5%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the Town's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes	There were no benefit changes during the year.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for only those years for which information is available. Information has been determined as of the Town's most recent fiscal year-end (September 30).

Town of Trophy Club, Texas

Schedule of Changes in the Town's Total OPEB Liability and Related Ratios

Texas Municipal Retirement System

Supplemental Death Benefits Fund

Measurement Date December 31,	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service cost	$ 10,164	$ 12,386	$ 15,383	$ 21,744	$ 27,652	$ 26,535
Interest (on the Total OPEB Liability)	6,033	6,400	7,252	7,204	6,517	6,863
Difference between expected and actual experience	-	(887)	(4,443)	(12,515)	4,559	(21,220)
Change in assumptions	17,400	(16,237)	46,233	46,896	12,575	(134,894)
Benefit payments	(924)	(991)	(1,099)	(1,144)	(3,607)	(3,618)
Net Change in Total OPEB Liability	32,673	671	63,326	62,185	47,696	(126,334)
Total OPEB Liability - Beginning	154,985	187,658	188,329	251,655	313,840	361,536
Total OPEB Liability - Ending	$ 187,658	$ 188,329	$ 251,655	$ 313,840	$ 361,536	$ 235,202
Covered Employee Payroll	$ 4,619,838	$ 4,954,406	$ 5,493,911	$ 5,722,119	$ 6,011,235	$ 6,030,633
Total OPEB Liability as a Percentage of Covered-Employee Payroll	4.06%	3.80%	4.58%	5.48%	6.01%	3.90%

Notes to Schedule:

Changes of Benefit Terms: None

Changes of Assumptions: 1) Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2016	3.78%
2017	3.00%
2018	4.10%
2019	2.75%
2020	2.00%
2021	1.84%
2022	4.05%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for only those years for which information is available.

Town of Trophy Club, Texas

Schedule of Changes in the Town's Total OPEB Liability and Related Ratios

Retiree Health Care Plan

Measurement Date September 30,	2018	2019	2020	2021	2022	2023
Total OPEB Liability						
Service cost	$ 5,179	$ 5,389	$ 5,389	$ 6,570	$ 6,570	$ 4,185
Interest (on the Total OPEB Liability)	2,019	2,101	2,624	1,489	1,670	2,389
Difference between expected and actual experience	-	-	(1,194)	-	(16,109)	-
Change in assumptions	-	-	(6,481)	-	(13,868)	-
Net Change in Total OPEB Liability	7,198	7,490	338	8,059	(21,737)	6,574
Total OPEB Liability - Beginning	44,561	51,759	59,249	59,587	67,646	45,909
Total OPEB Liability - Ending	$ 51,759	$ 59,249	$ 59,587	$ 67,646	$ 45,909	$ 52,483
Covered Employee Payroll	$ 4,911,902	$ 5,493,911	$ 5,524,768	$ 5,985,416	$ 6,195,743	$ 6,387,617
Total OPEB Liability as a Percentage of Covered-Employee Payroll	1.05%	1.08%	1.08%	1.13%	0.74%	0.82%

Notes to Schedule:

Changes of Benefit Terms: None

Changes of Assumptions: 1) Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	4.06%
2018	4.06%
2019	2.25%
2020	2.25%
2021	2.25%
2022	4.77%
2023	4.77%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town will present information for only those years for which information is available.

Combining and Individual Fund Financial Statements and Schedules (Unaudited)

TOWN OF
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Nonmajor Governmental Funds

Special Revenue Funds

Hotel Occupancy Tax Fund – This fund is used to account for local hotel and motel occupancy tax receipts, as well as expenses (events).

Street Maintenance Sales Tax Fund – Accounts for sales taxes specifically restricted for street improvements.

Court Technology Fund – Accounts for court fees specifically restricted for court technology expenses.

Court Security Fund – Accounts for court fees specifically restricted for court security expenses.

Recreation Programs Fund – Accounts for revenues and expenditures associated with recreational programs.

Park Land Dedication Fund – This fund is used to account for park revenues received by and expended by the Town.

Grant Fund –This fund is used to account for certain grant monies received by and expended by the Town.

Tax Increment Reinvestment Zone No. 1 – Accounts for revenues to be used in the reinvestment zone.

Crime Control and Prevention District – Accounts for the funds received from a one-half one percent sales tax, which can be utilized for public safety.

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Town of Trophy Club, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023

	Hotel Occupancy Tax	Street Maintenance Sales Tax	Court Technology	Court Security	Recreation Programs	Park Land Dedication	Grant	Tax Increment Reinvestment Zone No. 1	Crime Control and Prevention	Total
Assets										
Cash and cash equivalents	$ 2,648,726	$ 406,272	$ 7,466	$ 53,728	$ 21,175	$ 407,935	$ 9,886	$ 234,426	$ 211,736	$ 4,001,350
Taxes receivable, net	99,474	61,683	-	-	-	-	-	-	61,915	223,072
Total assets	2,748,200	467,955	7,466	53,728	21,175	407,935	9,886	234,426	273,651	4,224,422
Liabilities:										
Accounts payable	25,862	26,075	-	-	-	-	-	40,282	16,080	108,299
Due to component unit	-	14,891	-	-	-	-	-	-	-	14,891
Advances to other funds	-	-	-	-	-	-	-	386,503	-	386,503
Total liabilities	25,862	40,966	-	-	-	-	-	426,785	16,080	509,693
Fund Balances/(Deficit)										
Restricted										
Tourism	2,722,338	-	-	-	-	-	-	-	-	2,722,338
Public safety	-	-	-	-	-	-	9,886	-	257,571	267,457
Street maintenance	-	426,989	-	-	-	-	-	-	-	426,989
Court	-	-	7,466	53,728	-	-	-	-	-	61,194
Parks	-	-	-	-	-	407,935	-	-	-	407,935
Committed										
Recreation programs	-	-	-	-	21,175	-	-	-	-	21,175
Unassigned	-	-	-	-	-	-	-	(192,359)	-	(192,359)
Total fund balances/(deficit)	2,722,338	426,989	7,466	53,728	21,175	407,935	9,886	(192,359)	257,571	3,714,729
Total liabilities and fund balances/(deficit)	$ 2,748,200	$ 467,955	$ 7,466	$ 53,728	$ 21,175	$ 407,935	$ 9,886	$ 234,426	$ 273,651	$ 4,224,422

Town of Trophy Club, Texas

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended September 30, 2023

	Hotel Occupancy Tax	Street Maintenance Sales Tax	Court Technology	Court Security	Recreation Programs	Park Land Dedication	Grant	Tax Increment Reinvestment Zone No. 1	Crime Control and Prevention	Total
Revenues										
Property tax	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,648	$ -	$ 6,648
Sales tax	-	370,715	-	-	-	-	-	-	373,794	744,509
Occupancy tax	822,484	-	-	-	-	-	-	-	-	822,484
Intergovernmental	-	-	-	-	-	-	-	-	21,525	21,525
Charges for services	-	-	-	-	4,825	-	-	-	-	4,825
Fines and fees	-	-	161	20,145	-	-	-	-	-	20,306
Investment income	99,941	2,038	-	-	-	18,259	-	-	971	121,209
Other revenue	14,272	-	-	-	-	85,268	-	13,189	-	112,729
Total revenues	936,697	372,753	161	20,145	4,825	103,527	-	19,837	396,290	1,854,235
Expenditures										
Current:										
General	-	79,500	-	-	-	-	-	-	-	79,500
Court	-	-	250	2,000	-	-	-	-	-	2,250
Police	-	-	-	-	-	-	-	-	150,617	150,617
Community development	-		-	-	-	-	-	41,282	-	41,282
Tourism	387,712	-	-	-	-	-	-	-	-	387,712
Parks and recreation	-	-	-	-	5,200	-	-	-	-	5,200
Public works	-	231,437	-	-	-	-	-	-	-	231,437
Debt Service:										
Principal	-	-	-	-	-	-	-	-	30,090	30,090
Capital outlay	7,200	37,775	-	-	-	46,146	-	-	248,492	339,613
Total expenditures	394,912	348,712	250	2,000	5,200	46,146	-	41,282	429,199	1,267,701
Excess (Deficiency) of Revenues Over (Under) Expenditures	541,785	24,041	(89)	18,145	(375)	57,381	-	(21,445)	(32,909)	586,534
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	-	-	-	95,254	-	95,254
Transfers out	(95,000)	(33,754)	-	(1,500)	-	-	-	-	-	(130,254)
Sale of general capital assets	-	-	-	-	-	-	-	-	10,000	10,000
Total other financing sources (uses)	(95,000)	(33,754)	-	(1,500)	-	-	-	95,254	10,000	(25,000)
Net Change in Fund Balances	446,785	(9,713)	(89)	16,645	(375)	57,381	-	73,809	(22,909)	561,534
Fund Balances/(Deficit), Beginning	2,275,553	436,702	7,555	37,083	21,550	350,554	9,886	(266,168)	280,480	3,153,195
Fund Balances/(Deficit), Ending	$ 2,722,338	$ 426,989	$ 7,466	$ 53,728	$ 21,175	$ 407,935	$ 9,886	$ (192,359)	$ 257,571	$ 3,714,729

Town of Trophy Club, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Hotel Occupancy Tax Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Hotel Occupancy Tax	Variance with Final Budget
Revenues				
Taxes	$ 600,000	$ 600,000	$ 822,484	$ 222,484
Investment income	5,000	5,000	99,941	94,941
Other revenue	7,500	7,500	14,272	6,772
Total revenues	612,500	612,500	936,697	324,197
Expenditures				
Tourism	175,500	234,000	387,712	(153,712)
Capital outlay	100,000	100,000	7,200	92,800
Total expenditures	275,500	334,000	394,912	(60,912)
Excess of Revenues Over Expenditures	337,000	278,500	541,785	263,285
Other Financing Sources (Uses)				
Transfers out	(95,000)	(95,000)	(95,000)	-
Total other financing sources (uses)	(95,000)	(95,000)	(95,000)	-
Net Change in Fund Balance	$ 242,000	$ 183,500	446,785	$ 263,285
Fund Balance, Beginning			2,275,553	
Fund Balance, Ending			$ 2,722,338	

Town of Trophy Club, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Street Maintenance Sales Tax Fund

For the Year Ended September 30, 2023

	Original and Final Budget	Street Maintenance Sales Tax	Variance with Final Budget
Revenues			
Taxes	$ 351,000	$ 370,715	$ 19,715
Investment income	-	2,038	2,038
Total revenues	351,000	372,753	21,753
Expenditures			
General government	-	79,500	(79,500)
Public works	237,036	231,437	5,599
Capital outlay	-	37,775	(37,775)
Total expenditures	237,036	348,712	(111,676)
Excess of Revenues Over Expenditures	113,964	24,041	133,429
Other Financing Sources (Uses)			
Transfers out	(20,000)	(33,754)	(13,754)
Total other financing sources (uses)	(20,000)	(33,754)	(13,754)
Net Change in Fund Balance	$ 93,964	(9,713)	$ (103,677)
Fund Balance, Beginning		436,702	
Fund Balance, Ending		$ 426,989	

Town of Trophy Club, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Court Technology Fund

For the Year Ended September 30, 2023

	Original and Final Budget	Court Technology	Variance with Final Budget
Revenues			
Fines and fees	$ 1,000	$ 161	$ (839)
Total revenues	1,000	161	(839)
Expenditures			
Court	2,755	250	2,505
Total expenditures	2,755	250	2,505
Net Change in Fund Balance	$ (1,755)	(89)	$ 1,666
Fund Balance, Beginning		7,555	
Fund Balance, Ending		$ 7,466	

Town of Trophy Club, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Court Security Fund

For the Year Ended September 30, 2023

	Original and Final Budget	Court Security	Variance with Final Budget
Revenues			
Fines and fees	$ 5,000	$ 20,145	$ 15,145
Total revenues	5,000	20,145	15,145
Expenditures			
Court	2,500	2,000	500
Total expenditures	2,500	2,000	500
Excess of Revenues Over Expenditures	2,500	18,145	15,645
Other Financing Sources (Uses)			
Transfers out	(1,500)	(1,500)	-
Total other financing sources (uses)	(1,500)	(1,500)	-
Net Change in Fund Balance	$ 1,000	16,645	$ 15,645
Fund Balance, Beginning		37,083	
Fund Balance, Ending		$ 53,728	

Town of Trophy Club, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Recreation Programs Fund

For the Year Ended September 30, 2023

	Original and Final Budget	Recreation Programs	Variance with Final Budget
Revenues			
Charges for services	$ 6,000	$ 4,825	$ (1,175)
Total revenues	6,000	4,825	(1,175)
Expenditures			
Recreation	6,000	5,200	800
Total expenditures	6,000	5,200	800
Net Change in Fund Balance	$ -	(375)	$ (375)
Fund Balance, Beginning		21,550	
Fund Balance, Ending		$ 21,175	

Town of Trophy Club, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Park Land Dedication Fund

For the Year Ended September 30, 2023

	Original and Final Budget	Park Land Dedication	Variance with Final Budget
Revenues			
Investment income	$ 1,750	$ 18,259	$ 16,509
Miscellaneous	-	85,268	85,268
Total revenues	1,750	103,527	101,777
Expenditures			
Capital outlay	97,000	46,146	50,854
Total expenditures	97,000	46,146	50,854
Net Change in Fund Balance	$ (95,250)	57,381	$ 152,631
Fund Balance, Beginning		350,554	
Fund Balance, Ending		$ 407,935	

Town of Trophy Club, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Tax Increment Reinvestment Zone No. 1 Fund

For the Year Ended September 30, 2023

	Original and Final Budget	Tax Increment Reinvestment Zone No. 1	Variance with Final Budget
Revenues			
Taxes	$ 108,355	$ 6,648	$ (101,707)
Other revenue	-	13,189	$ 13,189
Total revenues	108,355	19,837	(88,518)
Expenditures			
Community development	40,924	41,282	358
Total expenditures	40,924	41,282	358
Excess (Deficiency) of Revenues Over (Under) Expenditures	67,431	(21,445)	(88,876)
Other Financing Sources (Uses)			
Transfers in	-	95,254	95,254
Total other financing sources (uses)	-	95,254	95,254
Net Change in Fund Balance	$ 67,431	73,809	$ 6,378
Fund Balance/(Deficit), Beginning		(266,168)	
Fund Balance/(Deficit), Ending		$ (192,359)	

Town of Trophy Club, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Crime Control and Prevention District Fund

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Crime Control and Prevention	Variance with Final Budget
Revenues				
Taxes	$ 350,000	$ 350,000	$ 373,794	$ 23,794
Intergovernmental	-	21,525	21,525	-
Investment income	-	-	971	971
Total revenues	350,000	371,525	396,290	24,765
Expenditures				
Police	359,436	401,436	150,617	(250,819)
Debt Service - Principal	-	-	30,090	30,090
Capital outlay	-	-	248,492	248,492
Total expenditures	359,436	401,436	429,199	27,763
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,436)	(29,911)	(32,909)	(2,998)
Other Financing Sources (Uses)				
Sale of general capital assets	-	-	10,000	10,000
Total Other Financing Sources (Uses)	-	-	10,000	10,000
Net Change in Fund Balance	$ (9,436)	$ (29,911)	(22,909)	$ 7,002
Fund Balance, Beginning			280,480	
Fund Balance, Ending			$ 257,571	

Discretely Presented Component Unit

4B Economic Development Corporation – to aid, promote and further economic development within the Town.

TOWN OF
TROPHY CLUB

Town of Trophy Club, Texas
Balance Sheet
Trophy Club 4B Economic Development Corporation
September 30, 2023

	4B Economic Development Corporation
Assets	
Cash and cash equivalents	$ 1,504,186
Taxes receivable, net	127,771
Due from primary government	22,334
Notes receivable	150,000
Total assets	$ 1,804,291
Fund Balance	
Restricted	
Debt Service	$ 216,023
Economic Development	1,588,268
Total fund balance	$ 1,804,291

Town of Trophy Club, Texas
Reconciliation of the Balance Sheet to the Statement of Net Position
Trophy Club 4B Economic Development Corporation
September 30, 2023

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance – governmental fund	$	1,804,291
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the fund.		2,800,100
Interest payable on long-term debt does not require current financial resources, therefore interest payable is not reported as a liability in the governmental fund balance sheet.		(6,455)
Long-term liabilities, including bonds payable and related discount, are not due and payable in the current period and, therefore are not reported in the governmental fund financial statements.		(1,824,123)
Net position of governmental activities	$	2,773,813

Town of Trophy Club, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balance
Trophy Club 4B Economic Development Corporation
For the Year Ended September 30, 2023

	4B Economic Development Corporation
Revenues	
Sales and mixed beverage taxes	$ 767,911
Investment income	43,606
Total revenues	811,517
Expenditures	
Current:	
Economic Development	17,581
Debt Service:	
Principal	115,000
Interest and fiscal charges	87,896
Total expenditures	220,477
Net Change in Fund Balances	591,040
Fund Balance, Beginning	1,213,251
Fund Balance, Ending	$ 1,804,291

Town of Trophy Club, Texas

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities

Trophy Club 4B Economic Development Corporation

For the Year Ended September 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances – total governmental fund	$	591,040
The governmental fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of deprecation expense recorded in the current period.		(24,693)
The repayment of the principal of long-term debt consumes the current financial resources of the governmental fund, but has no effect on net position.		115,000
Some expenses reported in the statement of activities do/(do not) require the use of current financial resources and, therefore, (are)/are not reported as expenditures in the governmental fund.		
Amortization of bond discount		(1,333)
Accrued interest on long-term debt		755
Change in net position of governmental activities	$	680,769

Statistical Section

TOWN OF
TROPHY CLUB

Statistical Section (Unaudited)

This part of the Town's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Contents **Page(s)**

Financial Trends 86-90

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity 91-94

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity 95-98

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information 99-100

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information 101-102

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

TOWN OF
TROPHY CLUB

Town of Trophy Club, Texas

Net Position by Component

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

Table 1

Fiscal Year	2014	2015*	2016	2017	2018**	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets	$ 53,586,441	$ 27,620,857	$ 26,940,643	$ 27,125,337	$ 51,825,867	$ 52,718,444	$ 51,061,357	$ 27,008,067	$ 28,391,158	$ 28,947,808
Restricted	564,472	4,035,428	4,433,649	4,676,837	5,478,991	6,112,682	6,821,486	29,052,071	27,278,448	25,542,136
Unrestricted	3,119,531	2,279,194	1,995,960	3,414,190	3,594,662	4,107,003	5,321,576	5,265,710	6,394,425	8,375,800
Total governmental activities	$ 57,270,444	$ 33,935,479	$ 33,370,252	$ 35,216,364	$ 60,899,520	$ 62,938,129	$ 63,204,419	$ 61,325,848	$ 62,064,031	$ 62,865,744
Business-type Activities										
Net investment in capital assets	$ 560,931	$ 513,930	$ 680,146	$ 776,097	$ 877,048	$ 982,997	$1,121,475	$1,240,768	$1,497,757	$ 1,678,173
Unrestricted	(4,845)	163,047	171,755	350,752	633,294	741,325	706,200	1,077,789	1,507,834	1,982,061
Total business-type activities	$ 556,086	$ 676,977	$ 851,901	$ 1,126,849	$ 1,510,342	$ 1,724,322	$ 1,827,675	$ 2,318,557	$ 3,005,591	$ 3,660,234
Primary Government										
Net investment in capital assets	$ 54,147,372	$ 28,134,787	$ 27,620,789	$ 27,901,434	$ 52,702,915	$ 53,701,441	$ 52,182,832	$ 28,248,835	$ 29,888,915	$ 30,625,981
Restricted	564,472	4,035,428	4,433,649	4,676,837	5,478,991	6,112,682	6,821,486	29,052,071	27,278,448	25,542,136
Unrestricted	3,114,686	2,442,241	2,167,715	3,764,942	4,227,956	4,848,328	6,027,776	6,343,499	7,902,259	10,357,861
Total primary government	$ 57,826,530	$ 34,612,456	$ 34,222,153	$ 36,343,213	$ 62,409,862	$ 64,662,451	$ 65,032,094	$ 63,644,405	$ 65,069,622	$ 66,525,978

*The Town implemented GASB Statement No. 68 for the year ended September 30, 2015.
** The Town implemented GASB Statement No. 75 for the year ended September 30, 2018.

Town of Trophy Club, Texas

Changes in Net Position

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

Table 2

Fiscal Year	2014	2015*	2016	2017	2018**	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
General government	$ 2,113,664	$ 1,955,949	$ 2,728,642	$ 2,533,298	$ 3,398,500	$ 3,650,893	$ 3,561,521	$ 1,381,483	$ 663,394	$ 899,894
Manager's office	-	-	-	-	-	-	-	936,032	567,704	782,210
Human resources	-	-	-	-	-	-	-	280,147	205,246	278,174
Finance	-	-	-	-	-	-	-	512,144	549,792	518,064
Information services	-	-	-	-	-	-	-	647,888	543,189	673,596
Legal	-	-	-	-	-	-	-	118,756	189,141	159,807
Court	-	-	-	-	-	-	-	49,837	258,489	92,313
Public safety	3,125,577	2,306,609	3,540,703	4,607,380	4,429,744	5,109,461	5,139,151	5,616,921	6,008,021	7,076,418
Facilities management	-	-	-	-	-	-	-	448,538	1,455,292	1,425,387
Tourism	-	-	-	-	-	-	-	317,005	396,974	653,518
Sanitation	-	-	-	-	-	-	-	1,057,653	-	-
PID activities	-	2,736,000	2,122,901	48,520	2,850	26,875	50,152	-	-	-
Parks and recreation	2,555,844	2,253,982	2,652,384	2,761,053	2,644,329	2,871,283	2,593,588	2,674,646	2,864,327	3,093,727
Community development	620,209	436,090	640,404	738,659	695,637	717,215	563,312	639,321	471,539	552,382
Public works (Streets and infrastructure)	1,764,396	1,716,531	1,878,119	1,728,809	1,671,692	2,371,290	2,052,018	2,308,861	2,315,082	2,358,623
Water and sewer	311,677	319,054	319,054	-	-	-	-	-	-	-
Storm drainage	231,370	234,339	234,287	-	-	-	-	-	-	-
Interest on long-term debt	412,561	469,923	496,019	2,365,059	2,771,762	2,663,286	1,639,671	1,535,312	1,278,873	1,371,710
Total governmental activities expenses	11,135,298	12,428,477	14,612,513	14,782,778	15,614,514	17,410,303	15,599,413	18,524,544	17,767,063	19,935,823
Business-type activities										
Storm Drainage	103,001	205,331	174,499	120,295	129,722	131,370	93,912	126,163	144,131	176,590
Trophy Club Park	134,625	123,445	109,325	116,477	93,677	122,186	229,670	125,692	169,456	127,025
Total business-type activities expenses	237,626	328,776	283,824	236,772	223,399	253,556	323,582	251,855	313,587	303,615
Total primary government expenses	$ 11,372,924	$ 12,757,253	$ 14,896,337	$ 15,019,550	$ 15,837,913	$ 17,663,859	$ 15,922,995	$ 18,776,399	$ 18,080,650	$ 20,239,438
Program Revenues										
Governmental activities										
Charges for services										
General government	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 286,695	$ 321,725	$ 269,132
Court	-	-	-	-	-	-	-	110,550	380,427	219,645
Police	-	-	-	-	-	-	-	123,942	101,556	142,470
Fire	-	-	-	-	-	-	-	1,344,545	1,444,477	1,492,123
Emergency medical services	-	-	-	-	-	-	-	95,775	130,805	193,982
Parks and recreation	-	-	-	-	-	-	-	301,668	342,996	397,773
Community Development	895,508	702,578	605,558	-	-	-	-	1,775	6,340	5,805
Sanitation	-	-	-	-	-	-	-	1,058,213	1,059,841	1,091,668
Public works	-	-	-	-	-	-	-	9,670	7,485	8,675
Other	783,359	2,669,738	2,593,969	3,705,774	3,982,406	3,266,108	1,797,916	-	-	-
Operating grants and contributions	423,960	550,495	141,071	581,633	443,752	1,392,787	2,056,622	37,851	173,599	92,029
Capital grants and contributions	761,196	1,254,997	-	-	-	2,127,040	-	150,000	-	-
Total governmental activities program revenues	2,864,023	5,177,808	3,340,598	4,287,407	4,426,158	6,785,935	3,854,538	3,520,684	3,969,251	3,913,302
Business-type activities										
Charges for services										
Storm Drainage	550,617	484,874	466,934	596,520	592,322	539,295	430,303	435,798	435,559	437,219
Trophy Club Park	-	-	-	-	-	-	188,708	185,981	289,336	268,703
Operating grants and contributions	-	-	61,106	-	94,521	-	-	4,170	125,468	31,750
Capital grants and contributions	-	-	-	-	-	3,360	68,146	-	-	-
Total business-type activities program revenues	550,617	484,874	528,040	596,520	686,843	542,655	687,157	625,949	850,363	737,672
Total primary government program revenues	$ 3,414,640	$ 5,662,682	$ 3,868,638	$ 4,883,927	$ 5,113,001	$ 7,328,590	$ 4,541,695	$ 4,146,633	$ 4,819,614	$ 4,650,974

Town of Trophy Club, Texas

Changes in Net Position (Continued)

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

Table 2

Fiscal Year	2014	2015*	2016	2017	2018**	2019	2020	2021	2022	2023
Net (Expense) Revenue										
Governmental activities	$ (8,271,275)	$ (7,250,669)	$ (11,271,915)	$ (10,495,371)	$ (11,188,356)	$ (10,624,368)	$ (11,744,875)	$ (15,003,860)	$ (13,797,812)	$ (16,022,521)
Business-type activities	312,991	156,098	244,216	359,748	463,444	289,099	363,575	374,094	536,776	434,057
Total primary government net (expense) revenue	$ (7,958,284)	$ (7,094,571)	$ (11,027,699)	$ (10,135,623)	$ (10,724,912)	$ (10,335,269)	$ (11,381,300)	$ (14,629,766)	$ (13,261,036)	$ (15,588,464)
General Revenues And Other Changes In Net Position										
Governmental activities										
Taxes										
Property taxes	$ 5,955,398	$ 7,447,069	$ 7,714,564	$ 8,269,141	$ 8,412,231	$ 8,974,426	$9,347,776	$9,940,633	$10,255,223	$ 11,180,838
Sales and mixed beverage taxes	965,969	1,104,298	1,217,693	1,306,243	1,150,073	1,271,864	1,445,994	2,035,404	2,290,748	2,358,255
Other taxes	1,020,554	1,027,407	1,255,995	1,376,352	1,486,952	1,581,721	1,238,302	1,261,872	1,689,864	1,838,706
Investment income	4,973	11,331	65,709	146,015	259,220	512,922	183,858	72,940	244,451	1,289,627
Miscellaneous revenues	185,922	100,202	382,521	908,540	197,567	235,107	414,384	62,904	197,903	313,150
Special items	-	-	-	-	-	-	882,082	-	-	-
Transfers	28,607	35,350	70,206	86,887	87,209	86,937	262,933	(116,463)	(142,194)	(156,342)
Total governmental activities	8,161,423	9,725,657	10,706,688	12,093,178	11,593,252	12,662,977	13,775,329	13,257,290	14,535,995	16,824,234
Business-type activities										
Investment income	25	143	914	2,087	7,258	11,818	2,711	325	8,264	64,244
Special items	26,001	-	-	-	-	-	-	-	-	-
Transfers	28,607	35,350	70,206	86,887	87,209	86,937	262,933	116,463	142,194	156,342
Total business-type activities	54,633	35,493	71,120	88,974	94,467	98,755	265,644	116,788	150,458	220,586
Total primary government	$ 8,216,056	$ 9,761,150	$ 10,777,808	$ 12,182,152	$ 11,687,719	$ 12,761,732	$ 14,040,973	$ 13,374,078	$ 14,686,453	$ 17,044,820
Change In Net Position										
Governmental activities	$ (109,852)	$ 2,474,988	$ (565,227)	$ 1,597,807	$ 404,896	$ 2,038,609	$ 2,030,454	$ (1,746,570)	$ 738,183	$ 801,713
Business-type activities	367,624	191,591	315,336	448,722	557,911	387,854	629,219	490,882	687,234	654,643
Total primary government change in net position	$ 257,772	$ 2,666,579	$ (249,891)	$ 2,046,529	$ 962,807	$ 2,426,463	$ 2,659,673	$ (1,255,688)	$ 1,425,417	$ 1,456,356

*The Town implemented GASB Statement No. 68 for the year ended September 30, 2015.

**The Town implemented GASB Statement No. 75 for the year ended September 30, 2018.

Town of Trophy Club, Texas

Fund Balances of Governmental Funds
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

Table 3

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	$ 796	$ 1,816	$ 54,397	$ 91,278	$ 430,977	$ 389,687	$ 389,112	$ 727,449	$ 427,772	$ 435,113
Committed	228,138	228,138	-	-	-	-	-	-	-	-
Assigned	-	200,000	189,475	183,858	182,718	177,130	169,592	-	-	-
Unassigned	2,816,087	3,261,235	3,950,290	4,335,983	4,826,823	5,256,436	6,988,719	6,876,307	7,916,625	9,981,221
Total general fund	$ 3,045,021	$ 3,691,189	$ 4,194,162	$ 4,611,119	$ 5,440,518	$ 5,823,253	$ 7,547,423	$ 7,603,756	$ 8,344,397	$ 10,416,334
All Other Governmental Funds										
Restricted:										
Debt Service	$ 118,092	$ 118,542	$ 143,174	$ 309,043	$ 262,277	$ 473,670	$ 706,640	$ 4,357,220	$ 4,078,885	$ 4,289,334
Capital Projects	4,505,273	1,694,546	8,764,936	6,285,515	5,764,419	3,568,072	1,984,646	6,199,646	4,952,458	10,606,605
Municipal court	46,253	43,422	39,668	37,819	37,155	30,036	32,838	36,824	44,638	61,194
Public Safety	93,746	134,265	210,189	71,259	9,886	9,886	9,886	284,013	290,366	267,457
Street Maintenance	39,915	65,306	-	92,856	29,337	92,457	184,556	302,901	436,702	426,989
Tourism	283,481	475,748	564,363	399,883	790,686	1,313,981	1,530,643	1,726,744	2,275,553	2,722,338
Parks	-	-	-	-	467,425	220,464	385,727	536,001	350,554	407,935
PID No. 1	-	4,229,068	3,869,425	3,832,851	3,882,225	3,972,188	3,971,196	-	-	-
Town Anniversary	2,114	3,497	-	-	-	-	-	-	-	-
Committed:										
Recreation programs	2,812	3,395	2,269	7,307	3,655	3,028	5,062	7,710	21,550	21,175
Unassigned	6,333	6,327	5,017	-	-	-	-	(327,716)	(226,168)	(192,359)
Total all other governmental funds	$ 5,098,019	$ 6,774,116	$ 13,599,041	$ 11,036,533	$ 11,247,065	$ 9,683,782	$ 8,811,194	$ 13,123,343	$ 12,224,538	$ 18,610,668

Town of Trophy Club, Texas

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

Table 4

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes										
Ad valorem taxes	$ 5,908,764	$ 7,469,912	$ 7,724,244	$ 8,132,670	$ 8,600,999	$ 8,967,795	$ 9,359,847	$ 9,941,321	$ 10,262,914	$ 11,207,851
Sales and mixed beverage taxes	965,969	1,104,298	1,217,694	1,306,243	1,150,073	1,271,864	1,445,994	2,035,404	2,290,748	2,358,255
Franchise taxes	772,621	811,052	953,622	888,863	867,446	911,738	850,543	869,212	908,033	1,016,222
Occupancy	235,796	264,708	302,374	487,489	619,506	669,983	387,759	392,660	781,831	822,484
Special assessments	-	1,917,636	1,986,516	2,129,321	2,166,167	2,176,400	2,187,165	2,195,144	2,263,090	2,267,110
Licenses, permits & fees	904,251	697,378	598,586	333,780	614,931	499,302	479,513	284,500	280,222	253,027
Intergovernmental	133,004	326,195	26,237	581,633	608,910	724,333	2,056,622	1,365,324	1,601,656	1,567,063
Charges for services	611,781	293,011	310,735	820,530	767,237	769,962	296,947	1,431,343	1,484,550	1,524,037
Fines & Fees	126,111	580,648	362,409	355,504	497,078	312,267	132,877	337,123	618,956	432,505
Lease revenue	-	-	-	-	-	-	-	-	83,834	107,834
Interest revenue - leases	-	-	-	-	-	-	-	-	24,288	20,188
Investment Income	4,974	11,330	65,708	146,015	259,213	512,922	183,858	72,940	244,451	1,289,627
Grant revenue	61,383	147,691	7,942	-	-	-	-	-	-	-
Miscellaneous	485,380	100,202	407,418	158,540	715,535	402,894	386,615	212,904	66,440	216,732
Total revenues	10,210,034	13,724,061	13,963,485	15,340,588	16,867,095	17,219,460	17,767,740	19,137,875	20,911,013	23,082,935
Expenditures										
Current										
General government	1,947,650	2,273,447	2,349,120	2,191,140	2,404,704	3,164,364	2,584,454	973,869	270,272	383,218
Manager's office	-	-	-	-	-	-	-	973,427	620,172	758,661
Human resources	-	-	-	-	-	-	-	287,521	216,058	268,107
Finance	-	-	-	-	-	-	-	528,002	583,304	504,727
Information services	-	-	-	-	-	-	-	595,432	492,761	641,317
Legal	-	-	-	-	-	-	-	118,756	189,141	159,807
Court	-	-	-	-	-	-	-	51,347	258,489	92,313
PID activities	-	314,344	81,793	44,984	2,850	26,875	50,152	-	-	-
Public safety	2,918,484	2,896,632	3,187,064	4,117,992	4,441,873	4,872,242	4,977,216	5,616,394	6,162,615	6,547,801
Facilities management	-	-	-	-	-	-	-	450,853	1,460,399	1,425,314
Tourism	-	-	-	-	-	-	-	319,943	402,212	644,687
Sanitation	-	-	-	-	-	-	-	1,057,653	-	-
Public works	517,964	516,035	566,927	179,448	340,910	414,938	388,419	204,633	207,684	231,437
Community development	587,760	479,477	576,508	582,259	449,178	568,239	491,941	654,107	490,655	524,674
Culture & recreation	1,853,811	1,799,204	1,892,065	1,991,571	2,708,827	2,250,599	2,380,448	1,922,721	2,138,251	2,308,047
Debt service										
Principal	998,000	1,438,000	2,153,974	1,567,004	1,675,350	1,723,652	3,081,206	3,408,000	3,582,199	3,397,255
Interest and fiscal changes	473,972	2,546,971	3,396,480	2,630,171	2,796,835	2,811,664	1,614,385	1,452,214	1,396,045	1,479,107
Capital outlay	885,436	3,466,307	3,395,509	9,146,919	1,239,065	2,860,040	1,735,016	508,748	2,647,445	2,325,253
Total expenditures	10,183,077	15,730,417	17,599,440	22,451,488	16,059,592	18,692,613	17,303,237	19,123,620	21,117,702	21,691,725
Excess (Deficiency) of Revenues Over Expenditures	26,957	(2,006,356)	(3,635,955)	(7,110,900)	807,503	(1,473,153)	464,503	14,255	(206,689)	1,391,210
Other Financing Sources (Uses)										
Proceeds from lease obligation	-	-	-	-	264,732	-	-	-	-	-
Proceeds from contractual obligations	2,500,000	-	4,210,000	-	-	-	-	-	-	-
Sale of general capital assets	-	-	-	-	-	-	32,213	-	60,142	54,208
Insurance recoveries	-	-	-	-	-	-	27,769	-	-	-
Proceeds from bonds	600,000	2,030,000	31,399,979	4,445,000	-	-	3,550,000	4,305,000	-	6,925,000
Premium on bonds	50,329	-	5,020,788	128,317	-	-	-	297,691	-	257,608
Payment to refunded bond escrow agent	-	2,026,710	29,734,500	-	-	-	3,485,838	-	-	-
Lease financing	-	-	-	-	-	-	-	-	90,577	26,383
Transfers in	55,741	63,350	493,947	993,250	298,457	89,937	264,433	686,235	266,609	246,754
Transfers out	27,134	28,000	423,741	906,363	63,817	3,000	1,500	(802,698)	(408,803)	(403,096)
Total other financing sources (uses)	3,233,204	4,148,060	71,282,955	6,472,930	627,006	92,937	7,361,753	4,486,228	8,525	7,106,857
Net Change in Fund Balances	$ 3,260,161	$ 2,141,704	$ 67,647,000	$ (637,970)	$ 1,434,509	$ (1,380,216)	$ 7,826,256	$ 4,500,483	$ (198,164)	$ 8,498,067
Debt Service as a Percentage of Noncapital Expenditures	15.83%	32.49%	39.08%	31.55%	30.18%	28.65%	30.16%	26.11%	26.95%	25.18%

Town of Trophy Club, Texas

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years (Unaudited)

Table 5

Fiscal Year	Estimated Market Value: Real Property	Estimated Market Value: Non Real Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2014	$1,248,215,265	$ 25,845,178	$ 60,160,746	$1,213,899,697	$ 0.49930
2015	1,426,754,517	20,304,259	64,382,412	1,382,676,364	0.49000
2016	1,618,577,881	28,301,916	68,622,814	1,578,256,983	0.48400
2017	1,816,191,857	29,805,970	73,301,474	1,772,696,353	0.47300
2018	1,986,456,291	32,335,529	83,492,349	1,935,299,471	0.45144
2019	2,146,374,412	34,488,137	79,947,523	2,100,915,026	0.44644
2020	2,245,060,094	34,337,805	173,637,626	2,105,760,273	0.44644
2021	2,571,479,079	41,659,656	210,421,213	2,402,717,522	0.44644
2022	2,732,597,188	30,337,600	213,411,764	2,549,523,024	0.44500
2023	3,069,209,272	29,159,280	220,375,646	2,877,992,906	0.41547

Source: Denton & Tarrant County Central Appraisal District Certified Roll

Note: Total Taxable Assessed Value is not adjusted for tax ceilings.

Town of Trophy Club, Texas

Direct and Overlapping Property Tax Rates (Per $100 of Assessed Value)

Last Ten Fiscal Years (Unaudited)

Table 6

	Town of Trophy Club			Overlapping Rates						Overlapping Rates					Total
Fiscal Year	Operating Mileage	Debt Service Mileage	Total Town Mileage	Northwest ISD	Trophy Club MUD #1	Trophy Club MUD #2	Denton County	Trophy Club PID #1 ESD	Tarrant County	Tarrant County College	Tarrant County Hospital	Total MUD #1 Mileage	Total MUD #2 Mileage	Total PID #1 ESD Mileage	Direct & Overlapping Rates
2014	$ 0.384300	$ 0.115000	$ 0.499300	$ 1.452500	$ 0.133390	$ -	$ 0.284914	$ 0.087380	$ 0.264000	$ 0.149500	$ 0.227897	$ 2.985984	N/A	$ 2.439094	$ 3.098881
2015	0.380000	0.110000	0.490000	1.452500	0.133390	-	0.272200	0.077270	0.264000	0.149500	0.227897	2.948860	N/A	2.401970	3.066757
2016	0.374000	0.110000	0.484000	1.452500	0.131140	-	0.262000	0.072220	0.264000	0.149500	0.227897	2.925360	N/A	2.380720	3.043257
2017	0.363000	0.110000	0.473000	1.452500	0.127220	-	0.248409	0.074450	0.254000	0.144730	0.227897	2.884309	N/A	2.358359	3.002206
2018	0.341442	0.110000	0.451442	1.490000	0.120210	-	0.237181	0.068700	0.244000	0.140060	0.224429	2.861593	N/A	2.357323	2.976022
2019	0.336442	0.110000	0.446442	1.490000	0.116180	-	0.225574	0.067190	0.234000	0.136070	0.224429	2.825456	N/A	2.339206	2.939885
2020	0.336442	0.110000	0.446442	1.420000	0.112730	-	0.225278	0.067380	0.234000	0.130170	0.224429	2.204450	N/A	2.269100	2.860429
2021	0.336442	0.110000	0.446442	1.420000	0.105880	-	0.224985	0.064760	0.229000	0.130170	0.224429	2.197307	N/A	2.266187	2.845666
2022	0.335000	0.099799	0.434799	1.292000	0.091340	-	0.233086	0.064180	0.224000	0.130170	0.229000	2.051225	N/A	2.123864	2.698575
2023	0.315670	0.099799	0.415469	1.274600	0.063810	-	0.189485	0.056250	0.194500	0.112170	0.194500	1.943364	N/A	2.035603	2.500784

Source: Denton & Tarrant County Appraisal Districts

Town of Trophy Club, Texas

Principal Property Taxpayers

Current Year and Ten Years Ago (Unaudited)

Table 7

Taxpayer	2023 Taxable Assessed Value	2023 Rank	2023 Percentage of Total Taxable Assessed Value	2014 Taxable Assessed Value	2014 Rank	2014 Percentage of Total Taxable Assessed Value
NAP Trophy Club LP	$ 67,500,000	1	2.35%	-	n/a	-
Armore Trophy Club LLC	19,400,000	2	0.67%	7,700,000	3	0.63%
Trophy Club 18 LLC	19,054,000	3	0.66%	-	n/a	-
TC Town Center 1 LP	18,800,000	4	0.65%	-	n/a	-
KAGR Trophy Club 2800 LLC	17,400,000	5	0.60%	-	n/a	-
4663 Okeechobee Blvd. & Palm Beach Holdings	9,524,969	6	0.33%	5,700,000	5	0.47%
Trophy Lodging LTD	9,500,000	7	0.33%	-	n/a	-
Quasar Hotels LLC	9,060,000	8	0.31%	-	n/a	0.00%
Hydra Hotels LLC	8,519,000	9	0.30%	3,862,253	9	0.32%
Oncor Electric Delivery Company	8,360,360	10	0.29%	-	n/a	-
Clubcorp Golf Tex LP P/S	-	n/a	-	4,362,406	6	0.36%
Cnl Retmt CRSI Trophy Cl Tx LP	-	n/a	-	18,000,000	1	1.48%
Trophy Club 12 LLC	-	n/a	-	13,100,000	2	1.08%
Trophy Club Medical Center LP	-	n/a	-	5,808,648	4	0.48%
First Texas Homes INC	-	n/a	-	3,897,287	7	0.32%
BDMR Development	-	n/a	-	3,895,520	8	0.32%
Trophy Club Equities	-	n/a	-	3,575,000	10	0.29%
Totals	$ 187,118,329		6.49%	$ 69,901,114		5.76%

Source: Denton and Tarrant County Central Appraisal District

Town of Trophy Club, Texas

Property Tax Levies and Collections

Last Ten Fiscal Years (Unaudited)

Table 8

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	$ 5,904,591	$ 5,869,976	99.41%	$ 26,189	$ 5,896,165	99.86%
2015	6,665,433	6,642,558	99.66%	14,249	6,656,806	99.87%
2016	7,477,394	7,456,542	99.72%	13,166	7,469,708	99.90%
2017	8,188,616	8,153,915	99.58%	10,781	8,164,696	99.71%
2018	8,627,946	8,614,737	99.85%	2,176	8,616,913	99.87%
2019	9,027,118	8,992,174	99.61%	34,943	9,027,117	100.00%
2020	9,504,473	9,400,652	98.91%	21,969	9,422,621	99.14%
2021	9,835,286	9,785,993	99.50%	24,299	9,810,292	99.75%
2022	10,263,591	10,247,041	99.84%	(11,060)	10,235,981	99.73%
2023	11,139,198	11,121,834	99.84%	-	11,121,834	99.84%

Source: Denton County Tax Assessor Collector

Town of Trophy Club, Texas

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years (Unaudited)

Table 9

Fiscal Year	Governmental Activities					Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita
	General Obligation Bonds	Certificates of Obligation	Special Assessment Bonds	Premium	Leases	Certificates of Obligation	Premium			
2014	$ 9,085,567	$ 4,212,132	$ -	$ -	$ -	$ 1,599,038	$ -	$ 14,896,737	3.07%	1,293
2015	8,344,695	4,029,431	26,481,000	-	-	1,454,619	-	40,309,745	7.62%	3,348
2016	12,375,000	7,961,000	25,710,479	4,916,763	-	1,275,000	30,200	52,268,442	9.35%	4,200
2017	11,450,000	12,068,000	25,406,475	4,754,458	-	1,130,000	25,779	54,834,712	9.26%	4,234
2018	10,640,000	11,415,000	25,285,577	4,457,420	173,280	980,000	21,358	52,972,635	8.06%	3,828
2019	9,805,000	10,637,000	25,260,000	4,160,382	88,205	825,000	16,939	50,792,526	7.94%	4,106
2020	9,005,000	9,789,000	23,985,000	3,872,927	-	670,000	12,522	47,334,449	6.98%	3,802
2021	7,500,000	13,206,000	22,800,000	3,798,808	-	-	8,504	47,313,312	7.04%	3,557
2022	6,595,000	12,298,000	21,245,000	3,482,143	99,617	345,000	4,486	44,069,246	6.10%	3,206
2023	5,890,000	18,040,000	19,776,000	3,423,086	85,745	175,000	468	47,390,299	5.60%	3,423

(1) Personal Income and population found on Table 15 of the Statistical Section

Town of Trophy Club, Texas

Ratios of Net General Bonded Debt Outstanding

Last Ten Fiscal Years (Unaudited)

Table 10

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Special Assessment Bonds	Percentage of Actual Taxable Value of Property[a]	Per Capita[b]
2014	$ 9,085,567	$ 4,212,132	$ -	1.10%	$ 1,154
2015	8,344,695	4,029,431	-	0.89%	1,028
2016	12,375,000	7,961,000	25,710,479	1.29%	1,634
2017	11,450,000	12,068,000	25,406,475	1.33%	1,890
2018	10,640,000	11,415,000	25,285,577	1.14%	1,594
2019	9,805,000	10,637,000	25,260,000	0.97%	1,653
2020	9,005,000	9,789,000	23,985,000	0.89%	1,509
2021	7,500,000	13,206,000	22,800,000	0.86%	1,557
2022	6,595,000	12,298,000	21,245,000	0.74%	1,375
2023	5,890,000	18,040,000	19,776,000	0.83%	1,729

[a] Property values are from table 5.

[b] Populations are from table 12.

Town of Trophy Club, Texas

Direct and Overlapping Governmental Activities Debt

As of September 30, 2023 (Unaudited)

Table 11

Governmental Unit	Debt Principal Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Denton County	$ 624,655,000	1.62%	$ 10,144,876
Northwest Independent School District	1,807,155,334	7.70276%	139,200,834
Tarrant County	376,120	0.01%	21
Tarrant County College District	591,230,000	0.07%	413,861
Tarrant County Hospital District	448,410,000	0.01%	25,590
Trophy Club MUD #1	20,725,000	0.56%	115,470
Subtotal, overlapping debt	3,492,551,454		149,900,652
Town of Trophy Club, direct debt	47,129,086	100.00%	47,129,086
Total direct and overlapping debt principal	$ 3,539,680,540		$ 197,029,738

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Trophy Club. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: Most recent Texas Municipal Reports (TMR) published by the Municipal Advisory Council of Texas.

Town of Trophy Club, Texas

Pledged Revenue Coverage

Last Ten Fiscal Years (Unaudited)

Table 12

Fiscal Year	Special Assessment Bonds		
	Special Assessment Collections	Annual Requirement (a)	Times Coverage
2020	$ 2,187,165	$ 2,180,573	1.00
2021	2,195,144	2,220,073	0.99
2022	2,263,090	2,249,922	1.01
2023	2,267,110	2,283,923	1.01

Note: (a) Includes Principal and Interest
Special assessment bonds pledged-revenue coverage presented starting with fiscal year 2020.

Town of Trophy Club, Texas

Demographic and Economic Statistics

Last Ten Fiscal Years (Unaudited)

Table 13

Year	Estimated Population[a]	Total Households[a]	Median Household Income[b]	Total Personal Income	Unemployment Rate[c]
2014	11,525	3,891	$ 124,593	$ 484,791,363	4.72
2015	12,040	4,153	127,391	529,054,823	3.88
2016	12,446	4,342	128,750	559,032,500	3.66
2017	12,950	4,435	133,457	591,881,795	3.38
2018	13,838	4,723	139,156	657,233,788	3.40
2019	12,369	4,490	142,483	639,748,670	3.10
2020	12,451	4,600	147,477	678,394,200	3.10
2021	13,301	4,555	147,477	671,757,735	6.60
2022	13,745	4,234	170,679	722,654,886	3.80
2023	13,843	4,625	183,125	846,953,125	5.60

Sources: a Estimated population using residential water connections

b United States Census Bureau

c Federal Bank of St. Louis Economic Research; Denton and Tarrant Counties' data averaged 2018.

Town of Trophy Club, Texas

Principal Employers

Current Year and Ten Years Ago (Unaudited)

Table 14

2023			2014		
Employer	Employees	Percentage of Total Town Employment	Employer	Employees	Percentage of Total Town Employment
Northwest Independent School District	414	6.30%	Northwest Independent School District	353	23.53%
Baylor Medical Center at Trophy Club	230	3.27%	Trophy Club Country Club	169	11.27%
Trophy Club Country Club	215	3.50%	Baylor Medical Center at Trophy Club	130	8.67%
Town of Trophy Club*	152	2.31%	Tom Thumb	97	6.47%
Tom Thumb	127	1.93%	Town of Trophy Club	86	5.73%
HG Sply Co.	67	1.02%	Cristina's Mexican Restaurant	47	3.13%
Fellowship United Methodist Church	39	0.59%	Respiratory Sleep Solutions	42	2.80%
Premier Academy - Trophy Club	35	0.53%	Premier Academy - Trophy Club	40	2.67%
Church at Trophy Club Lake	30	0.46%	Fellowship United Methodist Church	39	2.60%
Trophy Lake Academy	30	0.46%	Church at Trophy Lake	30	2.00%
Total	1,339	20.38%	Total	1,033	68.87%

(*) Includes Full Time, Part Time, and Seasonal

Town of Trophy Club, Texas

Full-time Equivalent Town Government Employees

By Function/Program

Last Ten Fiscal Years (Unaudited)

Table 15

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government and Administration	14	13	14	13	14	14	13	12	12	14
Public Safety	31	32	33	33	34	41	41	38	42	43
Streets	5	4	4	4	2	3	3	3	3	3
Parks and Recreation	17	17	17	16	17	14	14	16	14	17
Community Development	7	6	6	6	6	5	4	4	3	4
Total	74	72	73	73	73	77	75	73	74	81

Source: Departmental records

Town of Trophy Club, Texas

Operating Indicators by Function/Program

Last Ten Fiscal Years (Unaudited)

Table 16

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police										
Number of stations	1	1	1	1	2	2	1	1	1	1
Number of police personnel	23	25	25	26	26	24	25	23	26	26
Number of arrests	82	125	145	148	130	275	157	158	47	141
Number of traffic stops	2,004	2,912	3,635	2,922	4,262	5,397	3,106	3,206	2,987	5,312
Fire										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of fire personnel	15	15	16	17	18	17	17	18	19	19
Number of calls answered	907	868	898	868	858	871	965	981	1,061	944
Developmental										
Miles of streets	43	43	43	43	43	52	52	52	52	52
Parks/Recreational Changes										
Parks	6	6	6	6	6	6	6	6	6	6
Park acreage	1,039	1,039	1,039	1,039	1,039	1,039	1,039	1,039	1,039	1,039

Source: Departmental records

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